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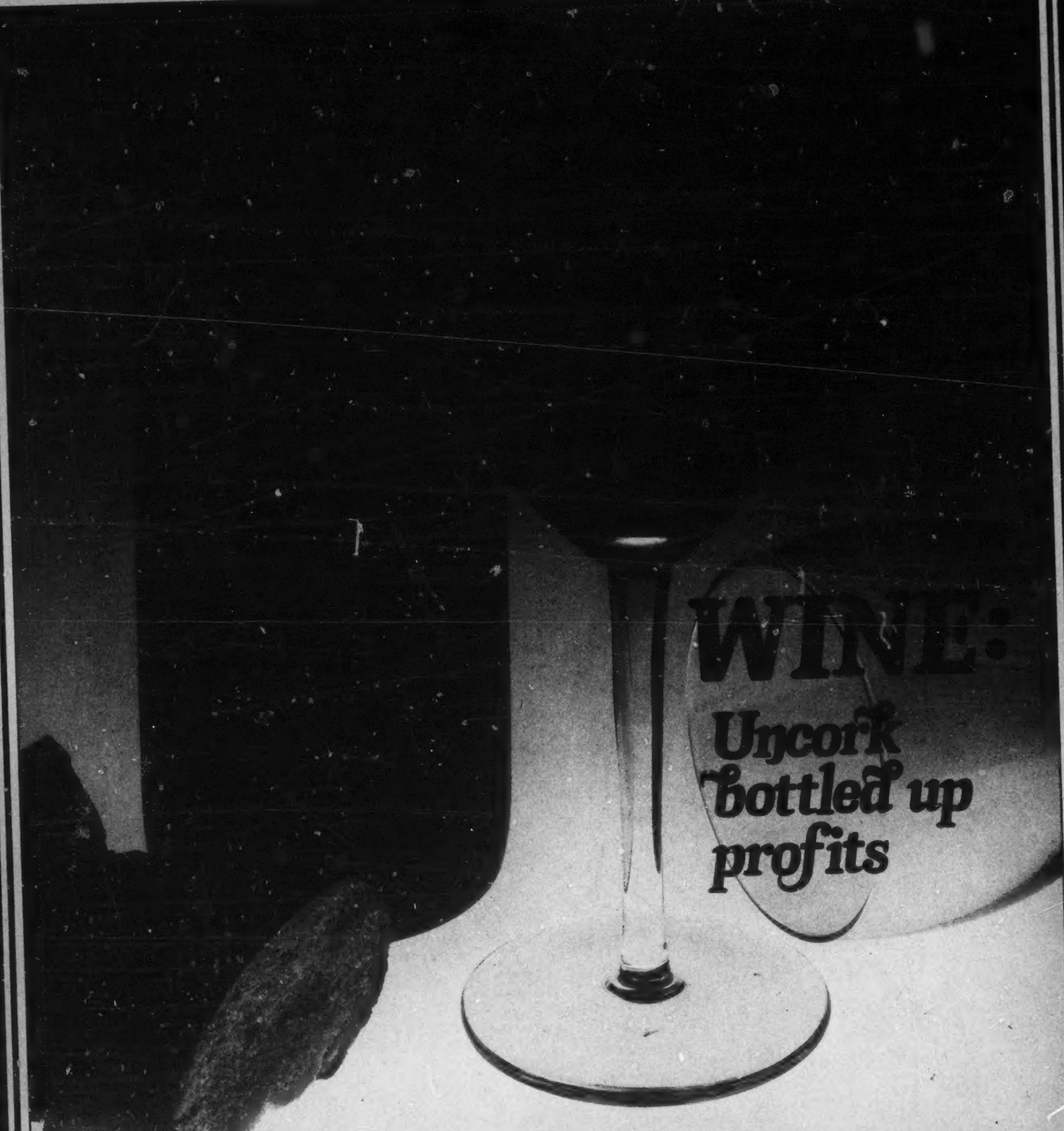

WINE:

Uncork bottled up profits

One of the gravest threats to our industry—a 50 percent decrease in the business meal deduction—was narrowly averted in August when Congress agreed to drop the provision from the $99 billion tax bill in favor of a less onerous provision to tighten tip reporting procedures.

Halving the business meal deduction would have cost the industry $1.7 to $2.9 billion in sales per year and a loss of some 100,000 jobs. Had NRA, its members and other hospitality industry representatives not prevailed on Congress to drop the business meal provision, we would have faced the prospect of widespread bankruptcies and increased unemployment.

And if NRA members like yourself had not been as active in telling your senators to oppose the original tip reporting provision in the Senate bill (recall it was defeated 70-25), the industry may very well have been saddled with both a reduction in the deductibility of business meals and new tip reporting requirements.

The tip reporting requirements adopted by the House and Senate on Aug. 19 are burdensome. The additional paperwork they may cause, however, is a small price to pay compared to an alternative that would have threatened the very existence of many establishments and the jobs they provide.

Through the ***NRA NEWS*** and the *Washington Weekly*, as well as other foodservice publications and the state restaurant associations, NRA has attempted to answer the many questions members have asked about tip reporting. This issue of the ***NRA NEWS,*** for example, provides answers to the most frequently-asked questions on the tip provision. (See "The Law" in this issue.)

Our efforts to explain these new requirements, however, have been hampered by the fact that the Internal Revenue Service (IRS) has not yet drafted regulations to implement the new law. Without the benefit of these regulations, we can only speculate as to how some of the requirements will be carried out.

Recently our Washington staff met with IRS officials to discuss this problem and to explain the urgency of receiving guidelines on the law as soon as possible. IRS has assured us that they will give the tip provision a high priority and that they understand the importance of informing restaurateurs and their employees of the new law.

Education, we believe, is the key to the industry successfully complying with the law. As more information becomes available, we will see to it that it gets in your hands.

John G. Dankos

John G. Dankos
NRA President

NRA NEWS

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Wine—by the bottle or by the glass—is becoming a popular beverage in this country. All signs indicate that it is more than a passing trend and the time has come for restaurant owners to take full advantage of the sales potential of wines. This month, NRA NEWS takes a closer look at wines—from ways to train your employees to information resources at your disposal.

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Cover photograph: Mark Borchelt

Get an outside opinion on your wine list

"If you're depending just on one supplier to supply all of your wine needs without some outside person taking a look and occasionally giving you some recommendations, it's like having a corporation and no outside directors. Almost every corporation puts a couple of outside people on their board of directors so they call speak out honestly and objectively. It's the same with a wine list. It may cost you one dinner a month at your restaurant. But I think you'll see a big difference in the amount you pay for the wines and possibly the wines you end up with on your wine list."

—Denmond Moody,
editor and publisher
of *Moody's Wine Review*,
at the NRA seminar,
"Wine: Future Trends and Profits"

SHORT ORDERS

Encouraging your customers to order fish for dinner

According to results from an in-depth survey by the North Atlantic Seafood Association, two out of three restaurant patrons would "probably" order fish when going out to dinner—but only one out of four actually does. A fish item on the menu that is well described can get people to try the item, the survey discovered. The reason: people are attracted to fish for variety, lightness and health.

If patrons know that a restaurant bakes or broils its fish, for example, they order fish more readily than if an operation only deep fries its seafood. Baking and broiling suggest better quality of fish—even if the patron decides on the fried fish alternative.

?????

Did you know?

- Today's average wine drinker is between the ages of 25 and 54, is well-educated, has a good income and resides in or near a large city.
- The District of Columbia, Nevada and California have the highest per capita wine consumption in the U.S. States with the lowest consumption are Mississippi, Arkansas, Georgia and North Carolina.
- White wine accounts for 57 percent of the market.
- The United States ranks as the sixth largest producer of wine in the world but only the 40th largest wine consumer per capita.
- Over the past decade, per capita wine consumption in the U.S. increased 61 percent—from 1.3 gallons in 1970 to 2.1 gallons in 1980. By comparison, consumption of soft drinks is about 40 gallons per capita, coffee—30 gallons, milk—24 gallons, beer—23 gallons and juices—seven gallons.
- **The International Wine Center and the National Restaurant Association are co-sponsoring a wine seminar on January 17, 1983, in New York City. For more information, contact NRA's seminar department; (202) 638-6100 or (800) 424-5156.**

Wine

Share of market

Wine type	1960	1970	1980
Table	32%	50%	75%
Dessert	54	28	10
Vermouth	4	4	2
Sparkling	3	8	6
Special	7	10	7
	100%	100%	100%

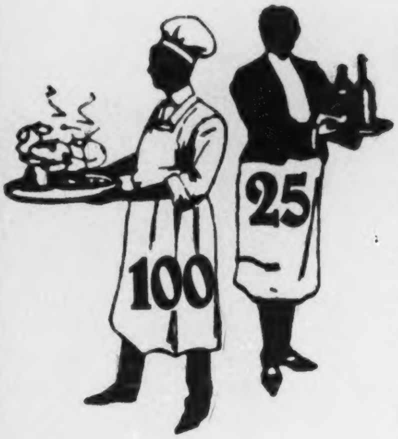
Consumption (millions of gallons)

Wine type	1960	1970	1980
Table	53	133	358
Dessert	87	74	44
Vermouth	7	10	9
Sparkling	4	22	30
Special	12	28	37
	163	267	478

Source: *American Culinary Institute of America.*

Mandatory surcharge strikes out

Most consumers prefer tipping to a mandatory 15 percent surcharge, according to a recent Gallup survey. Of the 1,037 adults questioned, 88 percent said that they prefer a method of tipping that leaves the decision of how much to tip with the diner. Only nine percent of the respondents prefer the practice of restaurants adding 15 percent of the total charge to the bill. Those prefering the surcharge were most often older people and unemployed women.



Small Business Administration update

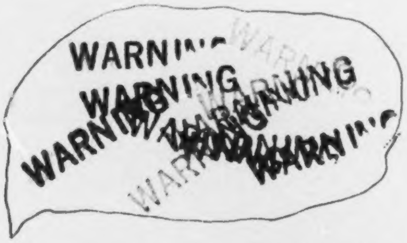
Under a new proposal by the Small Business Administration (SBA), the number of employees would determine the size of the business rather than the current method of annual gross receipts. An eating place that has up to 100 employees or a drinking establishment with up to 25 employees would be considered a small business under the new proposal.

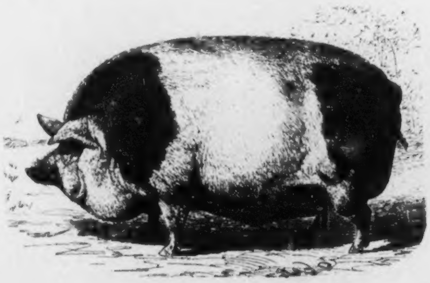
New warning on pork

Rapid cooking methods—-such as microwave, charbroiling and deep fat frying—may permit trichinae worms to survive in the cooler corners of a pork roast, warned the Department of Agriculture (DOA) recently.

Although only 120 to 150 cases of trichinosis are reported a year, said a DOA spokesman, another 10,000 people get a mild form of the disease.

To get around the potential problem, cooks should use thermometers to probe the temperature of a pork roast in several places to make sure that the internal temperature is 170 degrees Fahrenheit.





Making the lamb grade. . .

Although the Department of Agriculture (USDA) has not changed beef grading standards, it has relaxed rules for grading lamb and mutton to allow more animals to be classified as lambs. Lambs are the more desirable, and more expensive, animal.

In 1980 about 3.6 million carcasses were classified as lamb. Under the new rules some 36,000 to 72,000 carcasses will make the lamb grade. USDA officials maintain that the quality and price of lamb will not be affected by this change because classifications for prime and choice standards will be the same.

What will change are inspection procedures because inspectors believe they can judge the amount of fat streaking by examining the flank alone. Until now inspectors were also required to look at the rib cage before making their fat determination.

WASHINGTON REPORT

Beef grading victory

"The restaurateur's voice has been heard"

Months of testimony, letter-writing and lobbying by NRA and consumer groups paid off last month when the U.S. Department of Agriculture (USDA) announced that it had withdrawn its controversial proposal to lower federal beef grading standards.

"We are grateful that the united voice of the restaurateur and the consumer has been heard," NRA President John Dankos said of the decision. "The proposed changes would have made it next to impossible for the restaurateur to offer his customer the quality of beef he has come to expect at the price he is willing to pay."

USDA receives 4,000 comments. . .

USDA received over 4,000 written comments regarding the proposal—the vast majority of them negative. In its September 20 announcement, USDA said it was dropping the proposed changes because of a "strong perception that the proposed changes would reduce quality in beef, leading to consumer confusion and possibly even a lessened demand for beef."

Vigorously opposed by NRA and consumer groups, the proposal would have allowed leaner, less palatable beef into the top grades and would have resulted in higher prices for beef marked "Choice" and "Prime." The USDA proposal originally appeared in the Dec. 30, 1981, *Federal Register* and was similar to an earlier proposal by the National Cattlemen's Association. Under the USDA plan, "moderately" marbled beef now graded Choice would have moved into the Prime category, and the Choice category would have been expanded to include Good beef with "slight" marbling. The Standard grade would have been eliminated.

According to a study conducted by Schnittker Associates, an agricultural research firm, beef users could have expected to pay $250 to $400 million more a year for comparable beef products if the proposal were enacted.

Approximately 55 percent of commerical beef production is graded. Of that amount, approximately five percent is Prime, 90 percent Choice and four percent Good. Most of the fed-beef supply that is not graded would fail to meet the requirements for Prime and Choice. Such fed beef is generally equivalent to the Good grade but is marketed ungraded (commonly referred to as "no rolls").

NRA estimates that the foodservice industry purchases up to 36 percent of all the Prime and Choice steaks and roasts produced in the United States. The quality in these two categories would have suffered the most from changes to the grades, NRA argued at the five regional hearings USDA held on the proposal this past February.

NRA takes the lead in fight against proposal. . .

NRA testified that the USDA proposal would further erode the integrity of the grading system by enabling even more beef to qualify for the Choice category, result in a decrease in the availability of high quality beef (producers would feed their cattle only long enough to meet the bottom level of the new Choice category), and confuse consumers by giving them Choice product at Prime prices and Good product at Choice prices.

Opposition to the USDA proposal reached a peak this past spring when in addition to testifying against the plan, NRA organized a coalition of industry, consumer groups and friendly state cattlemen associations to fight the proposal; held a series of news conferences to publicize the impact on consumers; and mobilized opposition against the plan in Congress. NRA's media campaign culminated in a news conference in the kitchen of the L'Enfant Plaza Hotel in Washington, DC, where then NRA Chairman Walter Conti invited reporters to taste the difference between cuts under the current and proposed grading standards.

In Congress, U.S. Rep. Peter Peyser (D-NY) introduced a House Joint Resolution of disapproval that sought USDA's withdrawal of the proposal. Peyser characterized the USDA plan as a "rip off to the American consumer." In addition, a letter protesting the proposed changes and signed by over 30 congressmen was sent to USDA.

NRA wound up its lobbying efforts with a letter to USDA Secretary John Block, outlining the industry's opposition to the proposal. The letter was signed by NRA Chairman Walter Conti and co-signed by 17 other trade, consumer and state cattlemen's associations. The letter was entered in the *Congressional Record* of March 31 by Rep. Tom Harkin (D-IA), chairman of the House Agriculture Subcommittee on Livestock, Dairy and Poultry.

The success of NRA's efforts was demonstrated in the number and tenor of individual comments received by USDA. A summary of comments published by USDA in the September 22 *Federal Register* shows that of the 749 restaurant/hotel industry operators that commented, only two favored the USDA proposal. The other 747 were opposed to it. And of the 2,576 consumers who submitted written comments, only 63 favored the proposal; 2,486 opposed the proposal. Even among livestock producers, only 10 percent of those who commented favored the proposal. Forty-three percent of them favored the proposal with modifications, and 46 percent opposed it.

Improvements still needed, restaurateurs say. . .

Although relieved that the proposal has been withdrawn, NRA Director

Edward O. Elliott (Plaza Inn Foods, Inc., Mount Victory, OH) said last month that many NRA members "are not satisfied with the current system either." Elliott said there is "still too wide a spread within the designations, particularly the Choice grade."

Elliott remarked that there is very little consistency in Choice—"one week you might get good, tender beef; the next week you'll get nothing but complaints from your customers.

"The bigger and more sophisticated operations are able to get by; they know what to specify when they order beef. But many of the smaller restaurants just don't have the purchasing power or expertise. They're the ones that are really getting hurt."

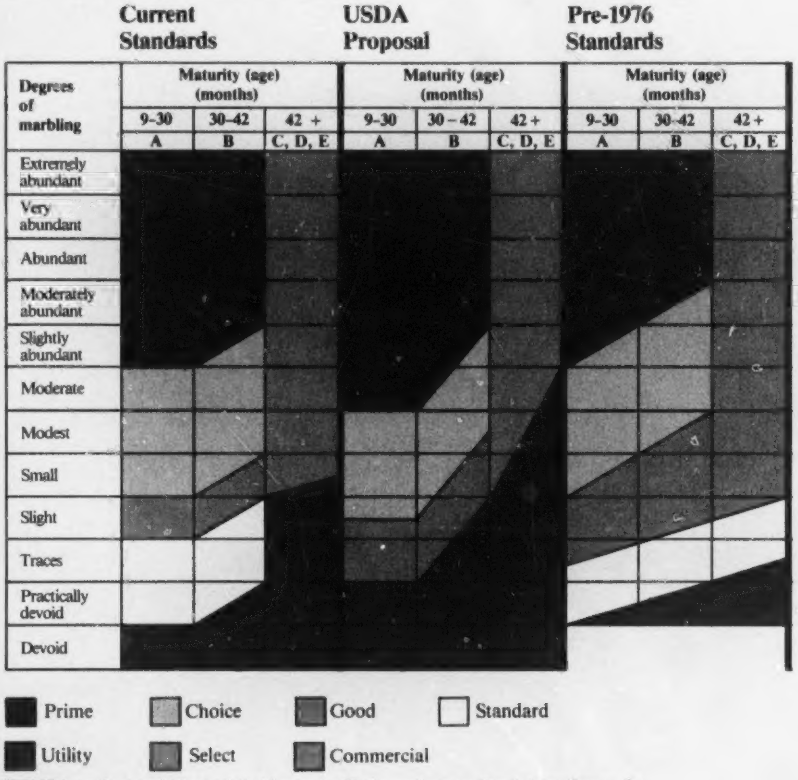
Many NRA members are still smarting from changes made to the grading standard in 1976 when the USDA lowered the standards to allow leaner beef into the Prime, Choice and Good grades. After that change, many quality steak houses were forced to replace two or three beef entrees with pork or other items to reduce customer complaints of tough, unpalatable beef. With leaner beef in the Prime and Choice categories, restaurateurs could not ensure the palatability of their product.

NRA survey links palatability with marbling. . .

An NRA survey of executive chefs completed last summer showed that palatability—tenderness, flavor and juiciness—is directly related to marbling. Thus, NRA members felt that further reducing the marbling requirements for the top grades would only compound a problem that began in 1976. The solution, operators maintained, was to restore the integrity that existed in the standards prior to that year.

"The big loser would have been the customer," said Ron Vilord, vice president of food and beverages for Gilbert/Robertson, Inc. "Customer complaints would have increased because of the link between marbling and palatability. We would have been hard pressed to satisfy customer expectations for mouth-watering steaks and roasts." Vilord's company has 65 specialty restaurants nationwide, all of which feature beef entrees.

Beef Grading Comparison Sheet



▨ *This section would be graded either up to Choice or down to Good depending on fat measurement and color. It would become Choice if fat is 0.30 inch or more and not more than slightly yellow.*

Although Vilord complained that "much of the Choice beef today doesn't have any marbling," he said that "it's doubtful we can return to the pre-1976 standards. What we can and should do is try to preserve the integrity of the current system."

Cattlemen vow to reopen issue. . .

In a statement released by the National Cattlemen's Association (NCA) shortly after the USDA proposal was withdrawn, NCA President Sam Washburn said his group would seek "to reopen the issue" and that NCA is prepared to "develop input that would help USDA resolve the grading issue."

USDA says it is "willing to work with committees or research groups representing all segments of the industry—producer to consumer—to further study the effectiveness of USDA beef grades." NRA, in its testimony to USDA earlier this year, recommended the formation of an industry advisory committee, representing all segments of the beef production chain, to develop a grading system that meets the needs of the consumer and the producer.

"Last year the cattlemen failed to respond affirmatively to an NRA suggestion that the affected industries get together before promoting changes, so that the interests of all, including consumers, would be best served," said David Stroud, past president of the National Live Stock and Meat Board. "Today, that idea looks just as good. . . . What a ripe moment for the industries to come together!"

It is Stroud's hope that a new "lean" grade will take hold in grocery stores without causing a deterioration in the eating quality of the foodservice industry's most popular food item. And it is NRA's hope that, together, producers and users can solve the production and quality problems in the current system.

No more industrial development bond financing for restaurants

"Small issue" industrial development bonds (IDBs) can no longer be used to finance restaurants after January 1983. These and other restrictions on IDBs were approved by Congress this August as part of the recently-enacted tax bill.

Specifically, the provision states that IDBs no longer can be used to finance an establishment where more than 25 percent of the proceeds are used for the primary purpose of automobile sales or service, recreation, entertainment or food and beverage services. Those businesses excluded from IDB use entirely include private or commercial golf courses, country clubs, massage parlors, tennis clubs, skating facilities, racquet sports facilities, hot tub facilities, suntan facilities and racetracks.

In addition, the provision would completely eliminate the IDB program after 1986.

Bonds help employers invest in fixed assets. . .

Tax exempt "small issue" industrial development bonds have been used since 1936 to foster business development. They are issued by a state, county or local government to help private employers invest in fixed assets, such as industrial plants and equipment. Because of the bond's tax-exempt status, the lender, typically a bank, can lower the interest rate on the loan, usually to 60 to 75 percent of the lending rate. Under IDB financing, capital expenditures are limited to $10 million.

In recent years, the use of IDBs has increased dramatically to the point where Congress now believes they are a drain on the U.S. Treasury. U.S. Rep. J.J. Pickle (D-TX), who favored restrictions on their use and was a House conferee on the tax bill, said their growth has increased in such "an alarming manner that we, the Congress, should take a careful look at the operation of this program. . . .As the use of IDBs grows larger and larger, the inevitable fact that local taxes will have to be raised to pay for these bonds is becoming increasingly apparent.

"There are times and places where these IDBs can and should be used," Pickle continued. "But if we do not control them, we may well destroy our regular tax-exempt municipal bond program. . . . The cold honest truth is that we are allowing private business to reap a benefit of some three to four percentage points off the conventional interest rate through the use of tax-exempt bonds. This amounts to a direct federal grant of $300,000 to $400,000 per project for a typical $10 million 'small issue' package."

Bonds generate economic activity. . .

However, in criticizing the program for its potential tax loss, legislators are often quick to forget the tremendous economic activity these bonds generate. The Congressional Budget Office last year concluded that if the laws governing IDB use were not changed for a five-year period, IDBs issued in 1986 would create more than $4 billion of additional GNP, including $2.2 billion in additional private wages and salaries—enough to employ 150,000 people at $15,000 per year. That additional economic activity and the tax revenue resulting from it may be lost when IDBs are sunset after 1986. The high cost of financing could very well preclude many small businessmen from borrowing for new capital projects.

Reports of abuse in the program and the fact that virtually any business has been eligible for IDB financing—including massage parlors, go-go clubs, X-rated magazines and country clubs—also fueled the drive for stricter regulation of IDBs.

After Jan. 1, 1983, public hearings and official approval of all IDBs will be required, and private users in most cases must forgo depreciation benefits enacted in 1981.

Senator Pryor speaks to NRA Board

Admonishing NRA members to "not let your national organization do all the work for you in Washington," U.S. Sen. David Pryor (D-AR) told a recent breakfast meeting of the NRA board of directors that "at no time in our country has involvement at the grassroots level been so meaningful." In speaking to the group at its fall meeting in Hot Springs, VA, Pryor emphasized the need for more local involvement and the importance of business leaders taking an active role in the political process.

It was Pryor who led the fight in the Senate this summer to remove the tip reporting provision from the $99 billion tax bill. A former congressman and governor of Arkansas, Pryor now serves on the Senate Agriculture and Governmental Affairs Committees.

The senator remarked that constituent contact was the major factor in his decision to become involved in the tip reporting issue. He had been contacted by NRA staff in Washington regarding the problems the additional reporting requirements could cause operators, but he did not decide to oppose the provision until after a restaurant operator in Arkansas called to complain about the provision.

The "double whammy" is effective. . .

"I was hit with what we in the Senate call the double whammy—the national organization presenting the facts and the people on the local level talking plainly and simply about the political aspects of a problem." It is this "double whammy," Pryor said, that makes for the most effective lobbying on Capitol Hill.

"Because your industry has tremendous growth potential and manages to flourish in spite of the economic hardship, it is now more important than ever to participate in the political system," Pryor said. "If you don't get involved, I guarantee you the government, whether you like it or not, will get into your lives."

He warned of the government's

Senator Pryor

tendency to "penalize an industry for its success. Congress always seems to be in a mood to tax to a greater degree an industry that is successful than one that is not successful. We should work to unleash the free enterprise system and let industries like your own prosper," he added.

Pryor said he could not blame businessmen for being discouraged with events in Washington during the last year, particularly with regard to high interest rates and huge budget deficits. But, he said, "I don't go around criticizing President Reagan to any great extent because I think the guy is trying. I think he's attempting to bring some sense out of the economic morass that he finds today. Maybe all his programs aren't working, but I have to give him an 'A' for effort."

The deficit could become the President's albatross. . .

He went on to say that the large deficit—projected at over $100 billion for FY 1982—could become the "President's albatross." "I have a feeling," he said, "that the President would like to defer the July 1, 1983, tax cut in order to reduce the deficit. That third-year tax cut will cost the government between $40 to $45 billion. If he does decide to defer the cut, he has to admit that his program is not working. He is really in a tough dilemma."

Pryor said he believes interest rates will remain relatively high and that they could rise again beginning next year. "I'm afraid there will be a scarcity of private capital as a result of heavy government borrowing, and that will force up interest rates. There's absolutely no quick fix," he said of the recession. "To politically influence the money supply by applying pressure to the Federal Reserve—as some have advocated—would only be a Band-Aid approach to the problem. It's very tempting for Congress or the administration to usurp the powers of the Federal Reserve, but in the long-run such action would not serve the country well."

Pryor said that American business has always demonstrated "a great resiliency," and that now "it is a matter of weathering the storm. Business men and women realize that this is a cycle that we're going to have to complete before it gets better. I think there is still a strong belief in the work ethic and the free enterprise system. Somehow, in spite of ourselves, that system is going to survive, prevail and flourish."

Dairy price supports may keep milk prices stable to 1985

There should be little upward pressure on milk prices over the next two years, as a result of phased-in reductions in the U.S. Department of Agriculture's (USDA's) dairy support program. The cuts, amounting to $4.15 billion, were approved by Congress as part of a larger budget reconciliation package to cut government spending by $13.3 billion over the fiscal 1983-1985 period.

This is significant for foodservice operators because NRA estimates that about 13 percent of all restaurant food purchases are dairy products. In 1980, for example, milk product purchases cost the industry approximately seven billion dollars.

Purchases of surplus milk products by the Commodity Credit Corporation (CCC) are now running about two billion dollars a year. Dairy products are subsidized at $13.10 per hundred pounds and, under the Farm Bill enacted last year, were scheduled to increase to $13.25 in 1983, $14 in 1984 and $14.60 in 1985.

The reconciliation package adopted by Congress this summer will freeze the support level at $13.10 for fiscal years 1983 and 1984. The following year—in fiscal year 1985—the support price will be whatever level of parity $13.10 translates into as of Oct. 1, 1983.

In order to further reduce CCC purchases, the secretary of agriculture will be authorized to deduct 50 cents per hundred pounds from price support payments made from Oct. 1, 1982 through fiscal year 1985, unless purchases fall below five billion pounds annually. The secretary may deduct an additional 50 cents per hundred pounds beginning April 1, 1983, unless purchases of surplus milk fall below 7.5 billion pounds annually.

THE LAW

Tip reporting q's and a's

The new tip reporting requirements in the 1982 Tax Act have generated countless questions from members of the foodservice industry. Some of the more commonly-asked questions are answered below. Many other questions cannot be answered because the Internal Revenue Service (IRS) has not yet drafted final regulations. However, NRA is following IRS activity in this area closely and will keep members informed of new developments in the months to come.

Q. What establishments are covered by the new law?

A. Any establishment (public or private) that provided food or beverages for consumption on the premises, where tipping is customary, other than of a carryout nature (such as fast food), and which normally employed more than 10 employees on a typical business day during the preceding calendar year. A special rule will be applied for new restaurants that have no "typical day" history.

Q. My tipped employees already are required to report all their tips to me on a monthly basis, and the IRS requires that I retain copies of charge card slips for three years. What more will I be required to do under the new tip reporting law?

A. If your establishment is covered by the new law, you will be required to report the following information to the IRS: 1) gross food and beverage sales (excluding receipts from carryout sales and sales which have mandatory service charges of at least 10 percent associated with them), 2) aggregate tip income reported by employees, 3) food and beverage charge sales and 4) aggregate charge tips.

Q. I have heard that if my employees as a group do not report tip income of at least eight percent of my restaurant's gross sales, I will have to allocate additional income to them. What exactly does this mean?

A. If the total amount of tip income reported to you is less than eight percent of your annual food and beverage sales figure, you will be required to estimate and then attribute additional tip income to each tipped employee in order to reach the eight percent threshold.

For example, if your total sales (excluding carryout and service charge sales) amount to $500,000, then your tipped employees will be expected to report at least $40,000 in tip income (.08 X $500,000). If your employees fall short of that figure, then you will be required to allocate additional income to each tipped employee in order to meet the $40,000 figure.

The amount of income you must allocate to each employee will only be an estimate based on an allocation formula and not actual income subject to payroll taxes. In allocating, you simply are attributing more income to an employee than originally reported to you. *No additional withholding of income is involved*, and you will be held harmless in any employee dispute regarding allocation.

Q. How do I determine the allocation formula I use?

A. The method of allocation can be determined by one of two ways: either through an agreement between yourself and your employees or according to regulations issued by the government. Government regulations have not yet been issued, but preliminary guidelines are expected before the end of this year.

Q. When do I make my report to the IRS?

A. Normally a report will be due when you file your taxes at the end of each year. This report must include figures for total sales, total tips reported, charge sales and charge tips, as well as any additional tip income allocated to employees.

A similar report will also be due for the first three-month period of 1983. If, during this January through March period, total reported tip income falls below eight percent of gross food and beverage sales, employers will be required to report to the IRS the names, tax identification numbers, reported tip income and wages paid for each tipped employee. Allocations will not be required for this special three-month report, however the report on the last nine months of 1983 and reports for subsequent tax years will require that if reported tip income falls below eight percent of gross sales, allocations must be made. Thus, for the 1983 tax year, operators will be making two reports instead of one to IRS.

Q. Suppose my tipped employees don't make eight percent of sales in tips. What can I do to avoid having to allocate income that I know they haven't earned?

A. An appeal procedure has been provided for those establishments where the tipping rate is less than eight percent. Relief may be granted to as low as a five percent of gross sales. That appeal process has not yet been established by the IRS.

Q. How do I inform my employees of the additional income I have allocated to them?

A. Congress intended that there be an additional box on the employee's W-2 form for the allocated amount. The IRS, however, has not confirmed what form this informational report will take.

Q. Will allocation mean more payroll taxes?

A. No, not unless your employees begin reporting more tip income due to the threat of allocation. In general, FICA, FUTA and federal income tax withholding is required only on tips that are reported to the employer. The allocation of income is purely an informational report and will not be subject to withholding.

Q. Exactly who is a tipped employee?

A. The Tax Code defines a tipped employee as one who receives $20 or more in tips a month in the course of performing his job. For the purposes of receiving a tip credit, however, the Department of Labor defines a tipped employee as one who regularly receives $30 or more in tips a month. The first definition will be the one used for the new tip reporting requirements.

Q. What can I do now to prepare myself and my employees for the new reporting law?

A. The most important thing you can do is to educate your employees about *current* reporting requirements. The law already requires that employees report *all* of their tip income to their employers and to maintain accurate records of that income, including any tip sharing or splitting arrangements they are involved in.

There are no new requirements for employee tip reporting under the new law. If your employees are following current law, then allocation may not be necessary.

Employers may have to monitor tipping practices more carefully under the new law in order to insure fairness in case allocation is necessary. These employers may want to consider ideas for developing an allocation formula. Factors that should be taken into consideration include hours worked, potential earnings of weekday shift vs. weekend shift, lunch vs. dinner work schedules and number and size of tables served.

Most important, don't take it upon yourself to give your employees tax advice. NRA has requested educational information from the IRS and will provide it to members as soon as it is made available.

Editor's Note: *For more information on the tip reporting requirements, contact NRA's government relations department in Washington.*

NRA Board meets in Hot Springs, VA

The National Restaurant Association board of directors met at the end of September at the Homestead in Hot Springs, VA, to review all NRA activities. The 17 standing committees and board committees came together to set policy in all areas in which the association is involved. Representatives of state and international associations met with the officers during the course of the meeting to discuss matters of mutual interest and concern.

NRA President John Dankos warmly embraced Tadashi Yokokawa, president of the Japanese Foodservice Chain Association at the recent NRA board meeting.

THE BOARD ROOM

NRA officers met with members of the Virginia Restaurant Association during the NRA board meeting in Hot Springs, VA.

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NRA board votes to sponsor U.S. Culinary Olympics team

At its meeting in Hot Springs, Virginia, the National Restaurant Association's Board of Directors voted unanimously to sponsor the U.S. Culinary Olympics Team to represent this country at the 1984 Culinary Olympics.

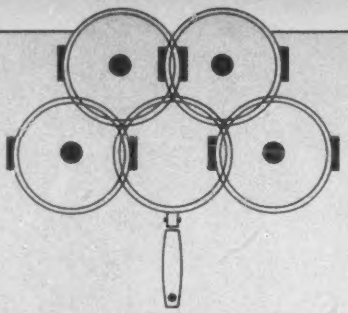
The international culinary competition, held every four years in Frankfurt, West Germany, drew 500 chefs from 23 nations in 1980. The U.S. team won 32 gold medals and two silver medals outstripping chefs from France, Italy and Austria.

"The Culinary Olympics are our chance to demonstrate the superiority of American cuisine," NRA President John Dankos said. "In the past, we showed the world how our chefs could prepare the finest meals in the world with national recipes and inexpensive native foods. The 1984 team will make that point again."

At the last competition, the U.S. team won a gold medal in the prestigious hot meal competition with turkey and sea bass dishes. (See recipes in the accompanying box.) The average price per meal was $2.30—down $2 from 10 years earlier.

The NRA Board voted to establish a corporation which will raise the funds needed to sponsor the U.S. team. The governing board of this corporation will consist of four leading restaurateurs and four representatives of the American Culinary Federation, an association representing the nation's chefs. NRA Board members Walter Conti, Conti Cross Keys Inn; John Dankos, Dankos Enterprises, Inc.; Thad A. Eure, Creative Dining Food Systems, Inc.; and Ernest Henry Royal, Royal's Hearthside, will sit on the board of the new corporation.

The chefs who will represent the U.S. in 1984 are being selected in three tryouts. The third tryout will be held at the Conrad Hilton Hotel in Chicago, Feb. 12-14, 1983. The finalists will have their first practice session at the NRA Restaurant, Hotel-Motel Show in May 1983.



Gold medal winners, Culinary olympics hot meal competition, 1980

I. Black sea bass St. Augustine

(Yield: 10-12 servings)

Ingredients:

4 lbs. Black sea bass fillets, boned and skined
0.4 oz. Salt (or to taste)
0.8 oz. Lemon juice (fresh)
0.8 oz. Finely chopped shallots
0.7 oz. Sliced scallions
3.2 oz. Butter, clarified for sauteing
2 oz. Flour for roux and coating
6.4 oz. Light cream
9.6 oz. Alaskan king crabmeat, cut in small pieces
1.6 oz. Dry white wine
White pepper (to taste)
Hot red pepper sauce (to taste)
6 oz. Fresh breadcrumbs
3 Medium eggs
Lemon sauce (see recipe)

Preparation:

Butterfly fish fillets and season with salt and lemon juice. Marinate in refrigerator for one (1) hour.

Saute shallots and scallions in ¾ oz. of butter until tender. Add ½ oz. flour to make a creamy roux. Add 6.4 oz. light cream. Simmer for several minutes. Add 9.6 oz. crabmeat, wine and seasonings. Remove from heat and stir in breadcrumbs and one (1) egg. The filling should be firm but spreadable.

Spread filling on the fish and roll into a spiral. Coat the rolls in remaining flour and eggs and brown in remaining butter which has been clarified. Remove the rolls from the frying pan and place in oven at 350 degrees for 20 to 25 minutes. Let rolls sit 10 to 15 minutes before slicing. Serve with lemon sauce.

Lemon sauce for sea bass St. Augustine

Ingredients:

1.6 oz. Wine vinegar
0.8 oz. Chopped shallots
⅓ tsp. Peppercorns
½ leaf Bay leaf
4.8 oz. White wine
1-2 tbls. Fresh lemon juice
8 oz. Soft butter
9.6 oz. Cream
⅓-½ oz. Cornstarch

Preparation:

Combine vinegar, shallots, peppercorns and bay leaf. Reduce over moderate heat until almost dry. Add wine, lemon juice and butter. Remove from heat and blend in cream. Serve with black sea bass St. Augustine.

II. Turkey breast Oklahoma

(Yield: 10 servings)

Ingredients:

A. Forced Meat:

48 oz. Turkey meat (½ white & ½ dark)
16 oz. Pork fat
1 Egg
Salt & pepper (to taste)
4-5 oz. Ice chips

B. Stuffing:

10 oz. Dark turkey meat, julienned
9.6 oz. Chopped onions
0.4 oz. Minced garlic
4.8 oz. Diced carrots
3.2 oz. Diced parsley stems
3.2 oz. Butter
16 oz. Diced mushrooms
4.2 oz. Diced Virginia ham
6.4 oz. Sliced scallions
Sage (to taste)
Thyme (to taste)
5.6 oz. Cooked & diced liver and giblets from turkey
4 Egg yolks
6.4 oz. Bread, diced small, croutons dry roasted in oven
Salt & pepper (to taste)

Preparation:

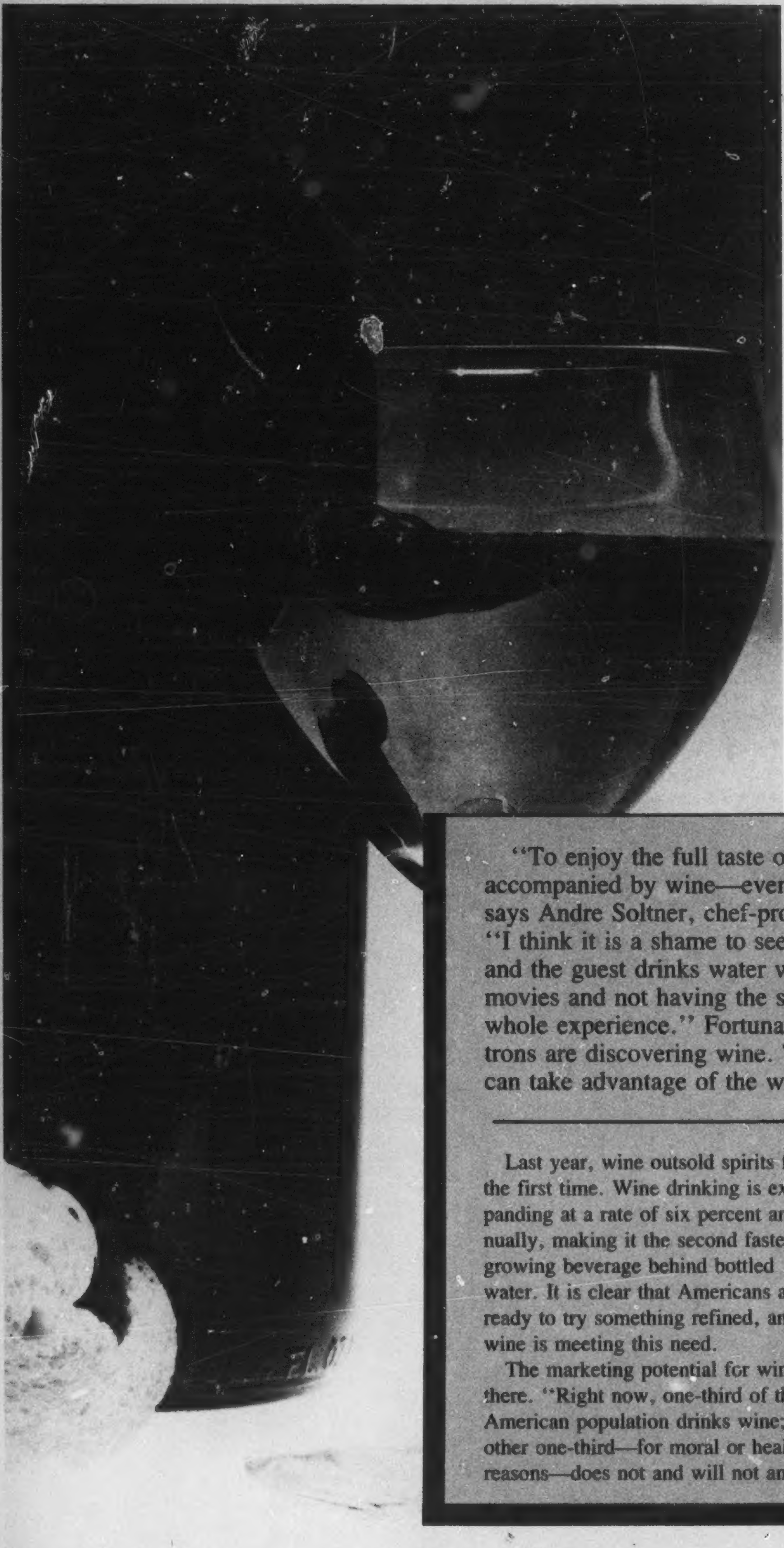
Grind white meat and pork fat and ice. Blend eggs, salt and pepper into ground meat. Fold in dark meat. **Note:** *Forcemeat must be ice cold at all times.*

Saute onions, garlic, carrots and parsley stems in butter until transparent. Add mushrooms, Virginia ham, scallions, sage and thyme and continue to saute for 5 minutes. Add sauteed diced liver and cooked giblets and heat thoroughly. Remove from heat and ad slightly beaten egg yolks and bread croutons. Blend and season with salt and pepper. Chill before spreading on turkey.

To make roll, spread meat on plastic wrap in layers approximately ¼ inch thick. Chill for 15-20 minutes. Then spread ¼ inch layer of stuffing on top of meat. Roll up in jelly roll fashion and detach plastic wrap. Smooth together edges and pat top with water to round. Bake at 375 degrees for one hour in roasting pan, basting with butter and drippings. Slice into individual portions for serving. Rest 10 minutes before slicing.

Note: Pig's caul may be used instead of plastic wrap.

Source: *The Culinary Institute of America*



How to cash in on the wine boom

"To enjoy the full taste of a well-prepared meal, it must be accompanied by wine—even if it is not an expensive wine," says Andre Soltner, chef-proprietor of Lutece in New York City. "I think it is a shame to see a chef prepare a very elegant dinner and the guest drinks water with it. It would be like going to the movies and not having the sound. You would not be getting the whole experience." Fortunately, more and more restaurant patrons are discovering wine. This article takes a look at how you can take advantage of the wine boom in your operation.

Last year, wine outsold spirits for the first time. Wine drinking is expanding at a rate of six percent annually, making it the second fastest growing beverage behind bottled water. It is clear that Americans are ready to try something refined, and wine is meeting this need.

The marketing potential for wines is there. "Right now, one-third of the American population drinks wine; another one-third—for moral or health reasons—does not and will not and the remaining one-third represents the potential new audience," maintains Marvin Shanken, publisher of the magazine *The Wine Spectator* and the wine newsletter *Impact*.

Many restaurateurs, however, are not taking advantage of the opportunity that wine sales can offer them. "The only way you are going to sell wine is by familiarity—yours, your servers and your customers," says NRA Director Ted Balestreri, owner of The Sardine Factory in Monterey, CA. This requires learning about wines yourself, teaching what you know to your employees and creating a non-threatening environment in your restaurant that encourages your customers to become more adventurous.

Training is the key to wine sales. . .

Perhaps the most important step towards selling wines in your operation is to train your employees. In order for foodservers to feel comfortable suggesting wines, they first have to feel confident that they know wines—that they can distinguish between a dry wine and a sweet wine, that they can read a wine label and can identify wines by their grape compositions and country and region of origin. They must know how to pronounce wine names and to match wines with the foods your restaurant serves. In addition, foodservers should be adept at opening and pouring wines, presenting wines and maintaining them at proper serving temperatures. These and other technical items can and should be covered in regular training sessions.

NRA's training manual *Wine & the Bottom Line* is an excellent resource for planning training programs for your employees. Written by wine author and teacher Edmund Osterland, who is also director of trade education at the International Wine Center in New York, it has pointers on all the basics from how to analyze wines to how to merchandise them.

Training requires a commitment. . .

Successful wine training requires a commitment. It must be an ongoing program, not a one-shot effort. "You should implement weekly training sessions timed to occur just before the employee's work shift and to last no longer than 15 minutes," advises Osterland. "Employees must taste everything they will be serving if they are to adequately sell those wines. Statistics show that what your employees taste today, they sell tonight. At each training session, teach those things your employees can most readily apply to their jobs that very day."

This builds motivation, continues Osterland, and motivated foodservers can impart their knowledge to the customers.

Other techniques to build employee confidence and enthusiasm include

- Scheduling role model exercises so employees can practice what they've learned. This is also an excellent way to try out an awkward situation—and its solution—before it actually takes place.
- Planning occasional wine presentations by outside experts or employees on topics of their choosing. Wine societies often have speakers' bureaus. Distributors, too, are an excellent source of information, especially concerning their own products.
- Writing a list of entrees from your menu on a blackboard or bulletin board in the kitchen, with corresponding wine suggestions, so each foodserver can suggest a wine for each item.
- Encouraging staff recommendations for wine list additions. Foodservers are more apt to sell what they know and like.
- Conducting wine festivals at your restaurants.

High incentive creates high sales. . .

Sam Bookbinder of Bookbinders in Philadelphia, PA, believes in providing the foodservers with an extra incentive to sell wine. His restaurant offers a $50 prize to the foodserver who sells the most wine each month. "I tell my servers that wine is an extra sale. Extra in the sense that if—after the first round of cocktails—the customers don't order wine, they won't order anything else to drink. And, of course, the larger the drink order, the larger the check size, and the larger tip," explains Bookbinder.

The wine list is a merchandising tool. . .

The second major ingredient of successful wine merchandising is a wine list. If you have hundreds of wines in stock and your restaurant is well-known for its variety of wines, then a separate wine book may be in order. A loose-leaf book with plastic protectors over typed or printed pages is an excellent format to use because it offers flexibility, is easy to update and has room for creativity.

For example, you can include wine labels, historical anecdotes, legends and labels about such wines as Est! Est! Est! and lists of specials. However, if your restaurant is just beginning to merchandise wine, Ron Tommasini, vice president and national brand director of Cella Wines, has some advice for you: "A wine list should be kept simple. Most Americans are still learning about wine and a "book" can be intimidating. An ideal list will include 12 to 15 wines, incorporating basic reds, whites, roses and sparkling wines; some domestic, others imported. A shorter list is less confusing for the customer and will help eliminate a cellar full of seldomly called for wines and will help control wine inventories.

Wine manager Bud Modlin of the Caravansary in San Francisco, CA, echoes his philosophy when he says, "We keep our wine list simple. It's an easy list for waiters to sell. Otherwise, you have spoiled wine, nobody knows what you're selling and you confuse the public." Pay attention to which wines sell and revise your menu accordingly. If a wine doesn't contribute to bottom-line profits, take it off the list.

Finally, create a wine list that will sell wine. Make sure it is easy to read, informative and complements your menu.

- Use oversize print that contrasts with the background on your wine list. Calligraphy, colored or textured paper stock and especially small typefaces can work against you because they are hard to read, especially in dimly-lit rooms.
- Discuss the major characteristics of each wine next to the entry on your

wine list. Describe such characteristics as body, sweetness range and flavor intensity.

- Go beyond the wine list on your food menu. Suggest a wine that goes well with each item. For example, if you serve a fish entree made with a Riesling, then suggest a Riesling or comparable wine from your wine offerings.
- If you offer only red, white and rose wines by the carafe and glass, you may want to bypass a wine list and include your house wines as part of your regular menu or attach a description as a clip on.

Price creatively to increase sales. . .

Be careful how much you mark up your wines. A 2.5 markup policy across the board, for example, just won't work because many customers have a price resistance point above which they won't go. As wines become more expensive, it's wise to lower your markup to encourage your patrons to trade up. Bud Modlin of the Caravansary says that he doubles his prices on the lower-priced bottles, but on a wine that wholesales for $100, he'll only charge $125. His profit is adequate, and he is able to move the wine.

Other points to consider. . .

Once you've trained your employees and developed a wine list, you have taken care of the two basic ingredients of selling wine—but there is still. plenty you can do. Here are some suggestions from Ron Plummer, senior vice president and director of Mandabach & Simms, Inc., in New York

- Use the best quality house wine you can afford.
- Always name the house wine and pour it from the bottle at the table
- Invite your guests to take the wine label with them as a souvenir. Steam off the label from their bottle of wine and present it gracefully on a napkin to dry.
- Use a blackboard to suggest a wine with a specific entree.
- Create a buffet night or luncheon or brunch that combines your foods and wines.
- Use a lighted wine cart to spotlight several wines—especially effective with appertifs and dessert wines.
- Print note pads with your restaurant name, logo and address for those customers who want to jot down the name of the wine they enjoyed.
- Print questionnaires that invite customer comments on your wines—especially effective if you are just creating a wine list.

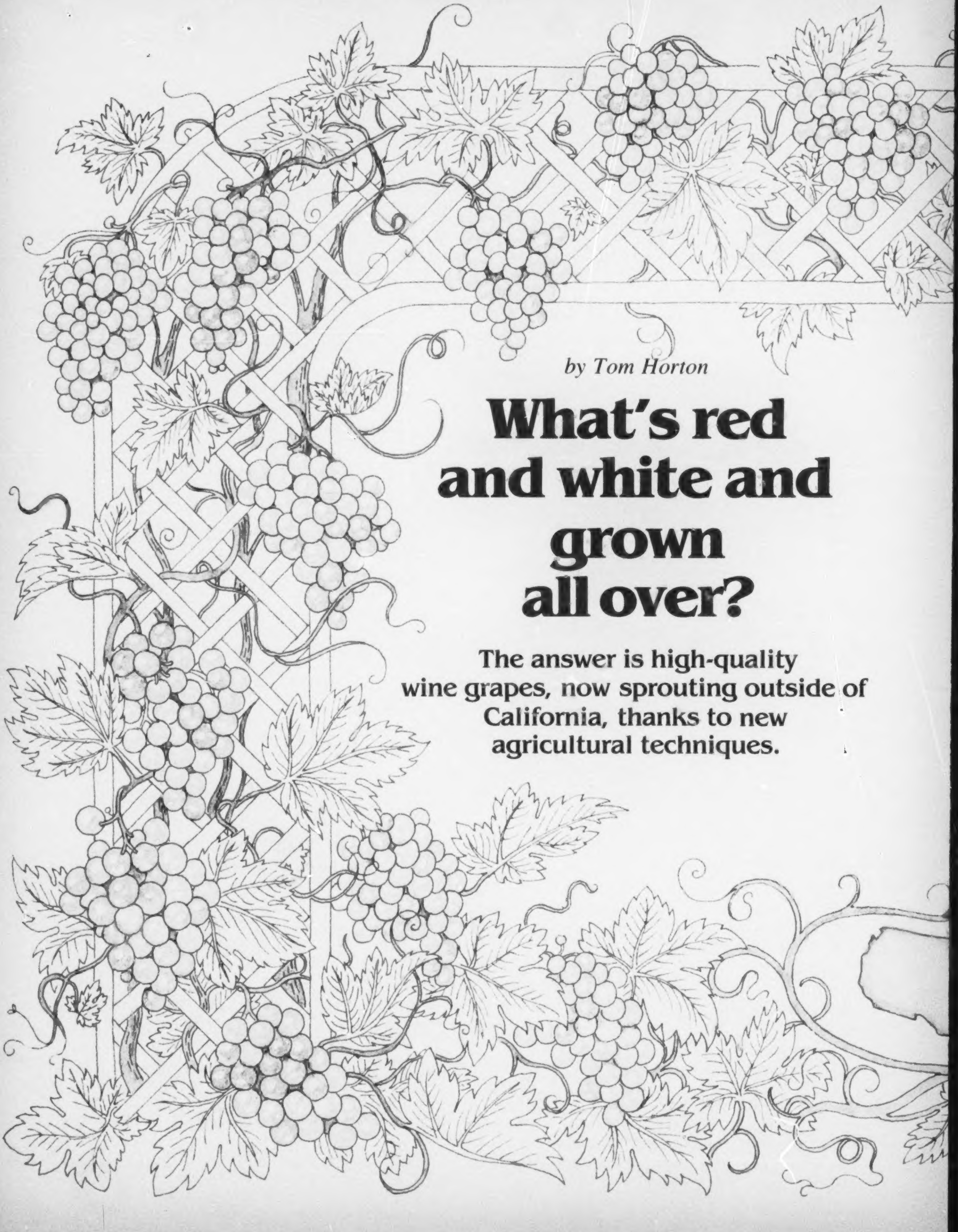
A recap. . .

Finally, remember it is up to you to initiate a successful wine program. "A restaurateur must immerse himself in the subject of wine," says Peter Korzilius, director of food and beverage and maitre d' at the Beverly Wilshire Hotel in Beverly Hills, CA. "Unfortunately, too many have delegated this obligation to wine salesmen."

Advice from wine list winners

Six NRA members are being honored this month for having compiled outstanding wine lists. They have been selected by the wine publication, The Wine Spectator, *as representing six of the 12 best wine lists in the country.* **NRA NEWS** *talked with each establishment to get some insight into what restaurateurs can and should do about wine merchandising. Here is a sampling of their comments:*

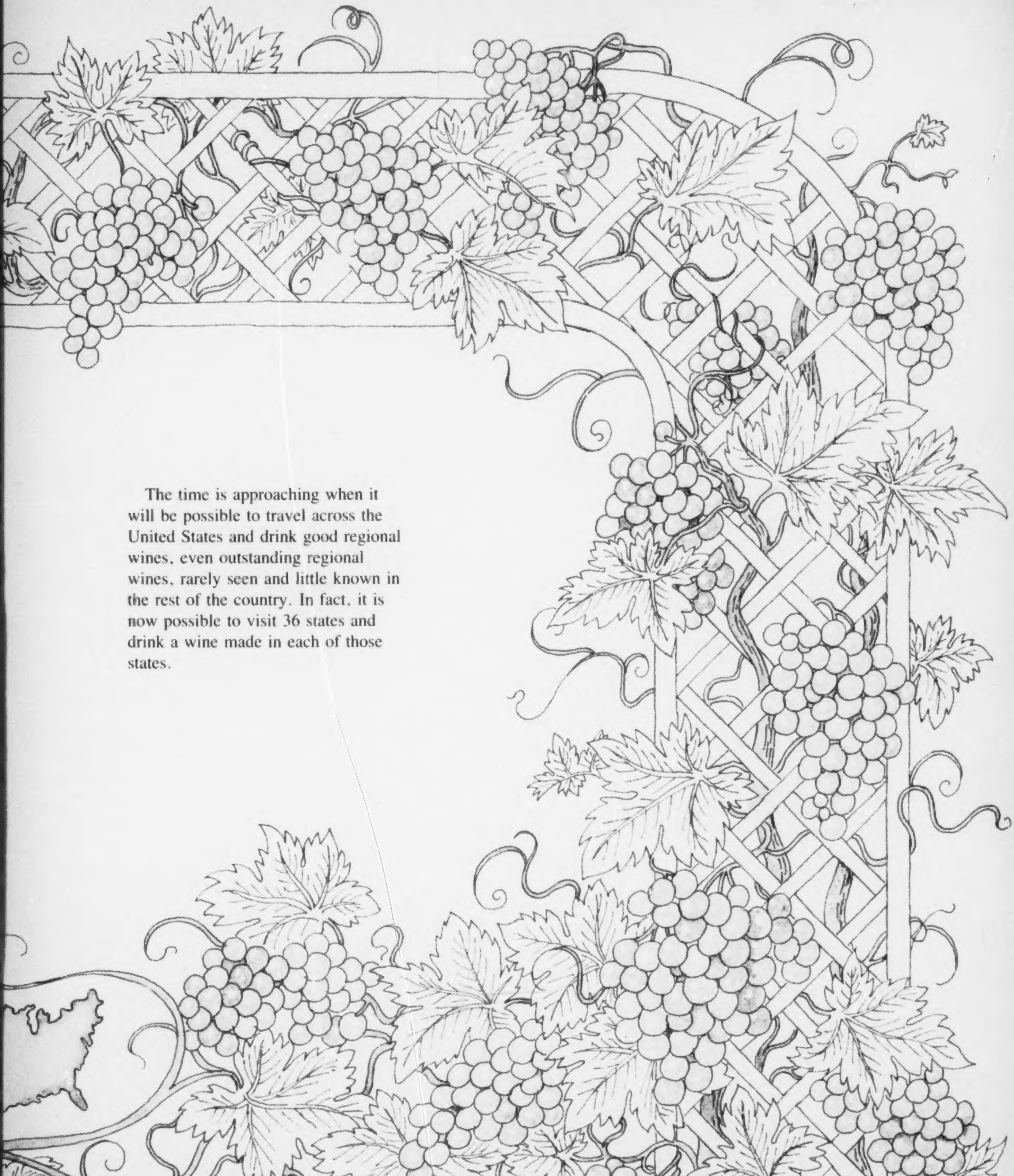
- **Anthony's Pier 4, Boston, MA:** "Good service is crucial," says owner Anthony Athanas. "That is why we have a sommelier (wine steward) for every eight or nine foodservers."
- **Beverly Wilshire Hotel, Beverly Hills, CA:** "Restaurateurs must immerse themselves in the subject of wine. Unfortunately, too many restaurateurs have delegated this obligation to a wine salesman. They must take more on themselves. They must realize that today's patrons require not only food but wine as well," maintains Peter Krozilius, maitre d' and director of food and beverage.
- **Lutece, New York, NY:** "A good selection of wine is crucial. Too often American restaurants are unimaginative in their wine choices so customers quickly become bored," observes chef-proprietor Andre Soltner. "Wines must also come in a range of prices so customers can scale the wine experience to the occasion. At Lutece we have two wine lists: an exclusive list and one with more moderately-priced wines."
- **The Ritz Carlton Hotel, Chicago, IL:** "A wine steward must be able to size up your customers. Some stewards can intimidate patrons because they flaunt what they know and the customers may not even know how to pronounce the names of the wines on the list. The last thing you want to do is to make your customers feel uncomfortable about ordering wine," suggests Robert Cornell, director of sales.
- **Rosellini's Other Place, Seattle, WA:** "Wine is labor-effective," says Steven Goddard, manager. "You have the same people selling it that are already selling everything else. Outside of storage space, it doesn't cost you anything extra; and for every $5 bottle of wine you sell for $10, you make $5."
- **The Sardine Factory, Monterey, CA:** "The only way you are going to sell wine is by familiarity—yours, your servers' and your customer's," maintains owner Ted Balestreri.



by Tom Horton

What's red and white and grown all over?

The answer is high-quality wine grapes, now sprouting outside of California, thanks to new agricultural techniques.



The time is approaching when it will be possible to travel across the United States and drink good regional wines, even outstanding regional wines, rarely seen and little known in the rest of the country. In fact, it is now possible to visit 36 states and drink a wine made in each of those states.

Winemaking in America, since Prohibition, has meant first and foremost California and then New York. In between, there has been little of legitimate interest to the discerning drinker. All of that is changing, and rapidly.

There is already a serious wine industry in the Pacific Northwest and budding activity in vineyards from the Eastern seaboard to the mid-Atlantic states, into the deep South and through the Midwest. There are new wineries in the continental United States' largest state, Texas, and in its smallest, Rhode Island. There may not be a winery in Alaska, but there is one in Hawaii, high on the slopes of a dormant Maui volcano.

"Name practically any state, and I can tell you of serious winemaking activity under way there," says Robert M. Pool, associate professor of viticulture at New York State's Agricultural Experiment Station in Geneva. Ironically, it was not far from Geneva where the worst thing that ever happened to the American wine industry was founded: the Prohibition Party. Because of its success, winemaking in America is only now recovering to become a nationwide concern.

More than 900 wineries. . .

There are more than 900 bonded wineries in America today, with the figure moving upward constantly. Although about half of the wineries are in California, the rest of the country is eagerly joining the U.S. wine boom generated by the spiraling sales and prestige of California premium wines. A record number of new U.S. wineries, 107, obtained licenses in 1980. Of these, 46 were started outside California (11 in New York). Arizona bonded its first winery in 1980; Kentucky added its third; six new wineries opened in Virginia; four in Washington State and two each in Connecticut, Rhode Island and Oregon.

Winemaking is viewed by those who enjoy the results as a romantic endeavor, but the force behind the current wine expansion is purely scientific. Viticulture researchers in government and university experimental centers across the nation have made more progress in the last 20 years in adapting the wine grape to drastically different U.S. climates than was made in the two centuries since such intrepid pioneer winemakers as Thomas Jefferson tried, unsuccessfully, to make decent table wine from native American grapes and, failing that, tried to transplant European cuttings.

"It is now possible to visit 36 states and drink a wine made in each of those states."

New hardier varieties. . .

The most dramatic progress comes in two areas:

- New hybrid grape varieties, combining the coveted quality of the classic European varieties with the stamina of American species needed to withstand harsh climates and crop disease.
- Gene splicing, the method of applying genetic engineering technology to grapes in attempts to produce entirely new varieties almost from scratch, each scientifically adapted to specific U.S. climate zones. If successful, this process can produce a new grape variety in far less time than the 20 to 25 years it normally takes to develop new hybrids through conventional crossbreeding techniques.

The grape varieties that deliver the world's best wines are the classic European *vinifera*. Vinifera varieties, producing the exalted Cabernet Sauvignon and Chardonnay, for example, made the successful emigration from Europe to California in the nineteenth century, shortly after the 1848 discovery of gold.

Nearly a century earlier vinifera plantings had been a failure in Eastern vineyards, and, until modern technology began making itself felt in the late 1960s, only California could be counted on for the fine wines made from the classic vinifera grape varieties.

Almost everything else came from native American grapes or French-American hybrids. Now there are vinifera plantings throughout the U.S., with some surprising results emerging from such states as New York, Michigan, Washington, Oregon and even Virginia.

More potential for vinifera. . .

"There's always been limitations on vinifera in the past, and that's primarily what I'm spending the bulk of my time trying to overcome," says Pool at the Geneva, New York, experiment station. "These limitations are primarily fungus disease in the South and cold weather in the North. And we've made great progress so that the potential for vinifera production throughout the U.S. is much greater."

Along with new and improved grape varieties, says Pool, what the winemakers are now doing with old grape varieties is also making a difference. "Many of these wines haven't been well vinified until recent years," he says. "Now we have winemakers applying modern winemaking techniques to these old varieties and making very interesting wines. That's sort of a quiet revolution which hasn't yet hit public awareness."

The acknowledged leader in viticulture research is the University of California at Davis. Carole P. Meredith, an assistant professor of viticulture at

Davis, foresees the day when Americans will be drinking well-made American wines from a variety of states and with a variety of now unfamiliar names as hybridization delivers completely new grape varieties.

"The kinds of things we're hoping to produce are something like Cabernet Sauvignon with a single difference so that it will still taste like Cabernet, but you might be able to grow it in a different place," says Meredith. "It's being discovered that there are little pockets of land in many states that are conducive to grape growing."

Virginia is attracting attention. . .

Virginia, for example, is attracting attention. Less than 10 years ago the state's largest commercial vineyard consisted of 25 acres of Concord table grapes. Now there are more than 500 acres of vineyards in Virginia, more than half of them planted in vinifera varieties, and the state's number of wineries went from zero to 17 in five years. Even such a giant of the U.S. wine industry as Paul Masson Vineyards of California has shown interest in Virginia for experimental plantings.

Typical of the ambitious new wineries springing up in what were once thought unlikely places is the Rapidan River Vineyards in Virginia's Culpepper County. Licensed only last year and with their first vintage of 5,000 gallons of Johannisberg Riesling still in the bottle awaiting release, Rapidan winemakers are not at all bashful about touting their own future. The winery and 24 acres of vineyards (expansion plans call for 250 acres) are owned by a West German, Dr. Gerhard Guth, and run by Geisenheim, Germany, graduate Joachim Hollerwith. Assistant winemaker George Riseling, Jr., emigrated from only as far away as a vineyard in Maryland.

Hollerwith is so brash as to predict that Virginia has the capability to produce even better white wines than California. Says his assistant Riseling, whose name is close to that of Rapidan's favorite grape, "The Rieslings we've made that I've taken to California have shown very well there and been a real surprise." He is even acquiring a license to distribute eastern wines in California.

> **"It's being discovered that there are little pockets of land in many states that are conducive to grape growing."**

Similar optimism can be found practically everywhere. There are now 34 wineries in Ohio, where many of the oldest wineries west of Cleveland still rely on native Catawba and Niagara grapes, but growing numbers of wineries east of Cleveland have plantings in French hybrids and vinifera.

Almost overnight Missouri has seen its winery total grow to 22, reviving memories of the late 1800s when Missouri was second only to New York as a wine-growing state. Michigan talks of its "wine rush" that has brought the state's winery total to 15, which is only two ahead of Iowa and six more than Indiana.

New revenue source in Kentucky. . .

In Kentucky, the Oliver Wine Company struck a deal with the Falcon Coal Company: A strip-mined mountain was replanted with American hybrid grapes, providing a new source of revenue for the coal company, jobs for poverty-stricken mountain folks and, not incidentally, beautifying the Kentucky landscape.

Few of the new wine-growing states have futures any brighter than Washington and Oregon. Although most Oregon wineries are boutique-size, producing less than 1,200 gallons annually, there were 27 of them at last count.

Washington has thousands of acres of grapes, but, unfortunately, 19,000 acres are in Concord juice grapes. That picture is changing, however. Washington State University Professor Charles Nagel has predicted that the state's wine plantings during the 80s will surpass 8,000 acres, and in another 20 years there may be more wine grapes than Concords in Washington.

Despite this "wine rush" across the land, California can rest easy. With some 700,000 acres of vineyards producing 90 percent of the nation's wine harvest, California would seem beyond challenge in size and overall quality. Says Meredith of the University of California at Davis, "California will always retain some degree of preeminence because the climate is so perfect and California already has such a head start, but I expect that other regions will develop their own wine industries and will become important locally."

And this can only lead to a multiplication of new experiences for the traveling wine consumer with an adventurous palate. Already there is ample reason to apply a variation on one of the world's oldest travel advisories, "When in Rome, do as the Romans," to the new world of American wines: When in Virginia, drink the wine made in Virginia. Or in Ohio, Michigan, Missouri, Texas, Idaho, Arizona, Oregon. . .

Editor's note: *Reprinted courtesy* Express *magazine, carried aboard AMTRAK. © 1982. East/West Network, Inc., publisher.*

Two organizations that are virtually unlimited sources for wine information are:

***The International Wine Center,** 144 West 55th St., New York, NY 10019. The center operates a year-round wine school that features a range of courses from the most basic to advanced. Several times a week, the center sponsors free tastings. The International Wine Center and NRA are co-sponsoring a wine seminar on Jan. 17, 1983 in New York City.

***Les Amis du Vin.** (The Friends of Wine) 2302 Perkins Place, Silver Spring, MD 20910. This international wine society, with chapters in 49 states and five foreign countries, is devoted to the appreciation of fine wine and the art of leisurely dining. It familiarizes members with the variety, uses and enjoyment of wine; sponsors regular group wine tastings and dinners; offers charter-flight trips to American and European vineyards; maintains a speakers' bureau of world wine and food experts; sponsors competitions and specialized educational programs, and publishes the highly regarded *The Friends of Wine* Magazine.

Wine promotion and information resources are:

***Bell and Stanton**
909 Third Ave.
New York, NY 10022

***Champagne News and Information Bureau**
533 Fifth Ave.
New York, NY 10036

***Commanderie de Bordeaux**
c/o Edward Stanton
99 Park Ave.
New York, NY 10016

***German Wine Information Bureau**
666 Fifth Ave.
New York, NY 10019

***Italian Wine Promotion Center**
999 Park Ave.
New York, NY 10022

***Portuguese Wine Information Bureau**
5 West 45th St.
New York, NY 10021

***Rioja Information Bureau**
770 Lexington Ave.
New York, NY 10021

Information on Wine

***Sherry Institute of America**
30 East 42nd St.
New York, NY 10017

***Society of Wine Educators**
1048 Oak Hills Way
Salt Lake City, UT 84108
(Members: Instructors who have taught wine appreciation, wine making or other wine-related courses.)

***The Sommelier (Wine Stewards) Society of America,** 435 Fifth Ave., New York, NY 10016 (Operates correspondence school on all areas of wines and alcoholic beverages.) Major chapter: The Sommelier Society of America, Washington Chapter, Inc., 1530 Wisconsin Ave., N.W., Washington, DC 20007.

***Wine Institute**
165 Post St.
San Francisco, CA 94108

Books: List compiled

by Joseph N. Koppel, Ph.D.
Hospitality Management
University of San Francisco

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**Vintage*
**The Wine Spectator*
**Wine World*

Newsletters:

**Connoisseur's Guide to California Wines*
**Robert Finnegan's Private Guide to Wine*
**Impact*
**Moody's Wine Review*
**The Wine Advocate*

Other sources of information:

*Your distributor is often an excellent resource and can provide training help as well as merchandising kits, including table tents, tip trays and place mats.

*Most foodservice trade journals have timely information about wine. If you clip articles and put them into a scrapbook, you'll have a very useful reference tool.

Why FOOD FESTIVALS are fast becoming a tradition

They flock by the thousands to sample bite sized portions of food prepared in large quantities, hear live jazz and generally have a grand time. At food festivals across the country, these would-be gourmets eat to their heart's content, but what's in it for the restaurateur? Exposure? Yes. Profit? Maybe.

Food festivals, or "tastes" as they are popularly called, serve a purpose that is much broader than exposure or profit, say foodservice operators who talked with *NRA News*. They are a vehicle to promote the restaurant industry, to provide money to worthy charities or scholarship funds and to create an atmosphere of camaraderie among restaurant owners in a city or region.

I. Taste of New Orleans

The decision to participate in the New Orleans Food Festival was easy for Joe Fein of the Court-of-the-Two-Sisters in New Orleans. "My father was one of the three founders of the festival in 1968," he boasts, "so it's become a family tradition."

Originally conceived as a free event to promote New Orleans food to tourists, the festival now attracts 30,000 people during its two-day run. They pay a tasting charge of $1.50 each, and an additional 400 tickets sell at $60 apiece for a gourmet dinner.

Fein purchases a booth for each of his two restaurants, at $175 apiece. This year he served shrimp creole at one booth and wine at the other. "We served 5,000 portions of shrimp creole, a house specialty. This quantity required 204 pounds of shrimp, 95 gallons of sauce and 150 pounds of rice," Fein said. "We are able to cook all of this at our commissary and then bring the food down to the festival booth."

Fein employed high school students to help his employees hand out the food. "The festival was crowded, but all the people who attended were very patient when things got hectic," he said.

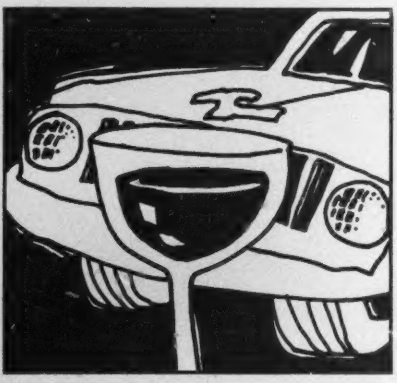
Although the festival is a profitable venture for most of the participating restaurants, Fein doesn't approach this event as a money-making venture. "It's public relations and adds recognition to my operation," he explained.

Each booth gives 20 percent of its gross profits to the city to provide scholarships to restaurant-hospitality students and chef apprentices. According to Fein, festival organizers plan to broaden exposure for the event next year by inviting travel and food writers to New Orleans. A culinary arts show is also planned. Will Fein participate? "Certainly," he exclaimed. "It's a great way to promote the fine cuisine of our city."

II. Taste of Detroit

The Michigan Restaurant Association, sponsors of the Taste of Detroit, runs a very successful event. Now in its third year, the festival attracts 150,000 people who sample food from 26 participating restaurants. Each restaurant pays the restaurant association a rental fee plus an additional 20 percent of food sales. Booth construction is problem-free in Detroit's Hart Plaza (where the festival is held) because the plaza is furnished with sheltered kitchenettes.

George Kutlenious, who owns other restaurants in the Historic Holly Hotel in Holly, has participated in the festival for all three years. His restaurant is 75 miles away from Detroit, but the exposure and publicity, he claims, have been more than worth it. "Our restaurant is a historic site: People do not simply drive out here to eat on the spur of the moment," Kutlenious explained. "They always plan the trip. The Taste of Detroit lets them know where we are."



Kutlenious has put a lot of thought into the planning of his booth. He even has a public relations person on hand to answer questions and give directions to the hotel. "Last year 20,000 promotional pieces were handed out, and I know many people did come to the hotel because of the festival," he mentioned.

Kutlenious also believes that staff enthusiasm is very important to the success of the event. "The restaurant is very formal so the staff members really pump up for this event. They volunteer to transport the food from the hotel to the festival and cheer each other on as they prepare piece after piece of escargot."

III. Taste of Chicago

The Taste of Chicago attracts more than a million people during the Fourth of July weekend. Arnold Morton of Arnie's and Morton's Restaurants in Chicago, brought the idea of Taste of Chicago to Mayor Jane Byrne.

He thought the festival would be a great promotion for the city of Chicago. "It allows people to experience new and varied cuisines, and the event brings many people from out of the Chicago area into the city," Morton said.

Like other restaurant owners who participate in food festivals, Morton doesn't skimp. He serves hundreds of pounds of barbecued ribs and filet mignon. "Everything must be ordered four months in advance. We precook the ribs and heat them at the festival," he explained. "It's a lot of work, and I don't do it for the profit. I do it for the love and affection I have for the city."

Eli Schulman of Eli's the Place for Steak in Chicago saw the "taste" a merchandising vehicle. He decided to participate in the Taste of Chicago to introduce his new cheesecake. The product was selling commercially and Schulman thought this exposure would increase its popularity. According to Schulman, the promotion was a success: "We sold 47,000 slices of cheesecake in three days. The people loved it. They wanted the recipe. It was good publicity. When people come into the restaurant, they remember my cheesecake from Taste of Chicago. What more could I ask for?"

IV. Taste of Washington, DC

For John Kulemeco of Boss Shepherds Restaurant in Washington, DC, the opportunity to participate in the third "Taste of the Town" held at the Sheraton Washington Hotel was just right for him. "We are a new establishment," he explained, "and the festival is a great way to get our name out to the public. We didn't make a profit. We merely broke even, but I participated because of the great promotional benefits. It's difficult to say if my customer counts are up because of the festival—although some customers do tell me they decided to try the restaurant because they sampled our food."

V. Taste of Kansas City

The Missouri Restaurant Association sponsored its third successful "taste" last spring. The festival, originally called EATS, was changed to "Taste of Kansas City" to emphasize the city's cuisine. This year, 90 restaurants participated in the event and 30,000 people were in attendance.

"The possible exposure generated from the festival interested me from the beginning," says John Lombardo, food and beverage director at the Alameda Plaza Hotel in Kansas City. The booth was decorated with a canopy in the shape of the hotel. Pictures of Alameda Plaza, as well as miniature menus, were placed throughout the booth. A chef was stationed at one end, and a patio with cocktail tables was set up on the other. The booth was so dramatic that the hotel won the best-in-show award.

"We had 150 people waiting in line for more than one hour. It was great publicity for the hotel," Lombardo said. The hotel's chef prepared 2,400 pounds of stir-fry tenderloin. "The chefs kept cooking and the people kept lining up. There seemed to be no end," he exclaimed.

"My philosophy is that everyone is a potential customer. If I produce a quality product, my regular customers will return and potential customers will try us. The 'taste' is an important part of that process—a way of testing ourselves," Lombardo maintains. "I think we've been successful. The experience was fantastic, and we'll definitely participate again."

VI. Taste of Cleveland

To stimulate interest in Ohio City, a downtown area in Cleveland, the Ohio City Redevelopment Association (OCRA) first created "A Taste of Cleveland" four years ago. This year's event attracted 40 restaurants; each paid between $200 to $300 to cover the cost of booth space and other necessary expenses incurred in running the event.

Rich Taylor of Au Provence Restaurant in Cleveland Heights has participated from the beginning. "Au Provence is a high ticket restaurant," he said. "Our regular customers only come in to celebrate special occasions—about three or four times a year. The festival is a way of keeping our name in the mind of the public."

To heighten identification, Taylor printed caps, T-shirts and aprons for his employees to wear during the festival. "They worked hard and had a great time," he said. "I also provided them with champagne when the event was over."

This year, Au Provence chefs prepared chocolate mousse—a house specialty. "Each year I change the food item. People usually ask questions about preparation and other menu items," Taylor explained. "I want to know their opinion. If a menu item is not working, there is no point in continuing to serve it."

Taylor's method seems to be working. "When new customers come into the restaurant and order chocolate mousse because they tried it and liked it at the festival, I know I'm accomplishing my goal. The Taste of Cleveland will not take place without us next year."

VII. Taste of San Antonio

The San Antonio "Taste of the Town" is not open to the general public. Because the one-day festival is limited to 2,500 people, would-be tasters must purchase tickets well in advance. And they do. The admission price of $20 entitles ticket holders to eat and drink anything from the 70 participating booths. After covering basic festival costs, admission fees go to charitable groups, such as mental health facilities and scholarship funds.

John Cace of Bayou's Restaurant in San Antonio originally wanted to get involved to promote his new restaurant. "I thought that the festival would be a great way to get my product out to the public before the restaurant was open for business," he said. Now president of the San Antonio Restaurant Association, Cace is completely sold on the idea of food festivals and is a regular participant. One reason, he says, is that they are a vehicle for the restaurant association to do something great for the community.

Not a passing fad. . .

From the enthusiasm of these restaurateurs, it looks like "Tastes of the Town" are not a passing fad but are fast becoming a traditional annual event for many cities nationwide. Perhaps this is because they offer something for everyone: Restaurants get exposure and recognition, restaurateurs enjoy the feeling of fellowship and good public relations, tasters get good value for their money and a sampling of their city's or region's culinary offerings, charities and scholarship funds receive donations and the city benefits from the atmosphere of camaraderie as well as the influx of out-of-town visitors. In short, everyone wins.

ON THE HOUSE

Cooking with wine: debunking the myths

Using wine in cooking is an easy way to give a little flair to even the simplest dish. It is excellent as a marinade or when added to sauces and desserts. John Volores at *The Monocle* in Washington, DC, knows how valuable wine is to a chef. "We have always cooked with wine dishes. "I use wines in lots of different fish, beef and chicken dishes. There's really no limit to the possibilities," he said. "One of my favorite dishes is veal marsala, a delicious combination of veal, brown sauce and a marsala wine sauteed with mushrooms."

Myths about wine. . .

Because wine adds such a savory flavoring, it is unfortunate that there are many "culinary myths" associated with its use. Probably one of the biggest myths is the belief that special cooking wines should be used. These wines are commonly found in three varieties, dry white, red or sherry. The problem with these wines is that they are specially prepared to keep them from spoiling after they are opened. One of the major additives to these cooking wines is salt, an unnecessary and normally undesirable additive to many dishes. It is far better to use a good bottle of table wine. As James Beard suggests in *James Beard's Fish Cookery*, "Wine is used in cooking as a flavoring agent. The better the wine, the better the flavor."

There are two types of wine for cooking—still and fortified. Still wine is generally red or white and is added to the dish at the beginning. Fortified wine is generally higher in alcoholic content and, therefore, also has a stronger flavor. These are generally added at the end of the preparation. Examples of fortified wines are sherry, port or vermouth.

Which wine to use is the subject of a second culinary myth. The rule of thumb for adding wine to dishes has been to follow the same rules that one would use to serve wine with the meal; in other words, red wines go with meats, game and pork while white wines go with fish, poultry and veal. But today there are famous exceptions to this general rule. For example, traditionally champagne has been discouraged for use in cooking because the effervescence disappears and champagne's sweetness is said to interfere with the flavor of the dish. Ferdinand Bozin at *Le Snail* restaurant in Charlottesville, VA, has proved how wrong rules can be! "My favorite dish is scallops cooked in a champagne sauce," he boasted. "It is definitely unique and unbelievably delicious."

The best way to choose a wine is to consider the predominating flavors in a dish as well as their intensities. Obviously, when a dish is heavily seasoned or spicy, wine would generally make no impression; it would get lost amidst the stronger flavors. If the entree is light, on the other hand, too much wine could overwhelm the other tastes.

Culinary Institute of America Onion/red wine marinade

Ingredients

1 cup chopped onions
¼ cup olive or salad oil
½ cup red wine vinegar
2 cloves of garlic, minced
¼ pound mushrooms
2 tsps. beef stock base
1 bay leaf
1 tsp. crumbled oregano
¼ tsp. each—salt, pepper and margarine
¾ cup dry red wine

Directions

In a large frying pan, saute onions in oil until golden brown. Add the red wine vinegar and garlic, cooking down until the liquid is reduced by one-half. Add the mushrooms, wine, and other ingredients. Cover and simmer for five minutes.

John Witlock at the *Magic Pan* in San Francisco understands the importance of this delicate balance. He stocks a good supply and variety of wines, including madeira, burgundy, chablis. Because the restaurant specializes in crepes, wines are often used to prepare sauces, such as the one in Witlock's favorite, "Crepe St. Jacques."

When you are planning your recipes, the wine you use in cooking should complement the wines you are serving with dinner. Whatever wine you use, be sure to taste as you go along! Your own taste will always be the best judge of the type and quantities of wine to use.

Other tips to consider:

1. If you are adding wine to a new dish that normally doesn't call for wine, only add a little at a time.
2. Be careful not to add so much wine that it covers or masks the major ingredient.
3. When you add wine to a dish, you cut down on the need for salt.
4. Before you cook meat in a wine sauce, brown the meat first.
5. Before you cook meat that has been marinated with wine, dry the meat first or it will not brown.
6. To ensure alcohol evaporation without loss of wine flavor, bring the dish to the boiling point and don't cover.
7. Be aware that sometimes the addition of a red wine to fish can discolor the flesh.
8. Be careful when cooking with wine in aluminum. Sometimes the highly acidic makeup of the wine mixed with the aluminum can cause soups and sauces to turn dark.

New NRA payroll stuffer program says "We're glad you're here!"

The cashier cannot decipher the handwritten check. The waiter is annoyed at the hostess for seating too many customers in his station. The cook is reprimanding the prepworkers because they did not chop enough vegetables. Tensions are running high and the finger of blame points to you—the restaurant owner—for not emphasizing the importance of teamwork in your operation.

THE HUMAN SIDE

If all your employees—from the dishwasher to the manager—were aware of the value of each person's job and the need for team work to create a pleasant dining experience for customers, they would have more patience with each other.

NRA's human resources department has created a payroll stuffer program that will make it easy for you to tell your employees, "We're glad you're here!" Designed with the busy restaurateur in mind, this program can be implemented during the course of nine pay periods. The kit, which will be available at the end of the year, includes camera-ready art work for a series of nine payroll stuffers, a sample stuffer, a full-sized poster, portraying the unity of the entire staff, as well as detailed instructions for implementing the program.

The program works this way: Inside the paycheck envelope each employee will receive a payroll stuffer which explains the role of various foodservice occupations and their specific contributions to the restaurant (see example). On the reverse side of the stuffer, a bonus coupon for discounts or complimentary items at area businesses can be offered. Suggestions include complimentary or reduced movie or theater admissions, two-for-one-coupons at lo-

Cashier

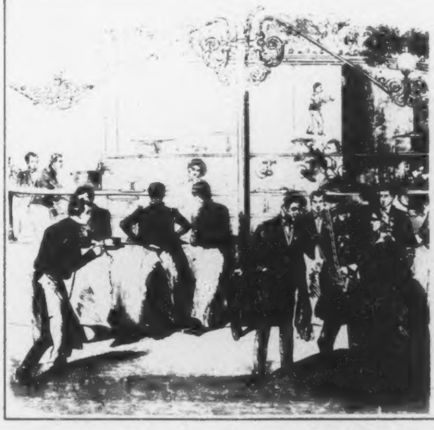
(kă-shîr′) n.

Adding the finishing touch to our customer's pleasant dining experience is the job of cashiers. Cashiers add up food and bar bills and operate the cash register. THE SUCCESS OF OUR RESTAURANT DEPENDS ON CASHIERS. Without them, the dollars and cents business of a restaurant could not be handled easily. Clearly and accurately-written orders will make their jobs easier. When cashiers do their jobs well, it adds up to a smooth-running restaurant and satisfied customers.

Host/Hostess

(hōst) / (hōs′ tis) n.

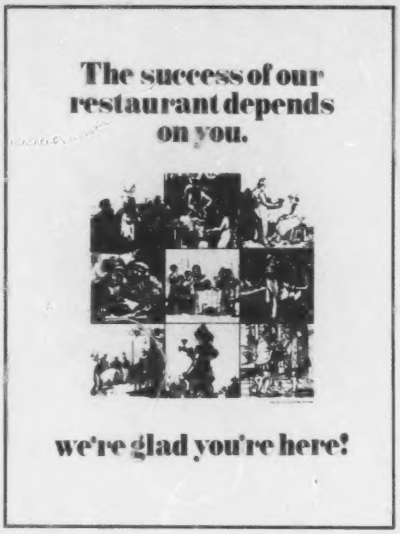
Welcoming customers and creating a friendly atmosphere, hosts and hostesses make our restaurant's first impression. They also coordinate the staff and solve problems in the kitchen and dining room. THE SUCCESS OF OUR RESTAURANT DEPENDS ON HOSTS AND HOSTESSES. Without them, our restaurant lacks the harmony that makes customers feel at home. When we all do our jobs well, our hosts and hostesses can proudly greet our guests. Then, our restaurant is sure to get rave reviews.



Bus People

(bŭs pē′ pal) n.

Handling details from setting up and clearing tables to pouring coffee and refilling butter dishes, bus people are vital to a well-run restaurant. Men and women who are bus people take care of the important details that make dining enjoyable for our customers. THE SUCCESS OF OUR RESTAURANT DEPENDS ON BUS PEOPLE. They help waiters and waitresses provide the fine service our customers expect. Bus people make everyone's job easier. They deserve a hand.


The success of our restaurant depends on you.
we're glad you're here!

cal shops and complimentary desserts or appetizers with a meal at a nearby restaurant. The possibilities are endless, and your employees will surely appreciate this special way of acknowledging their importance. In addition, the program will increase the feeling of unity and understanding among staff members.

The illustrations included in this kit are reproductions of original artwork from Chef Louis Szathmary's internationally known culinary collection of more than 40,000 pieces, including documents, cookbooks, autographed menus, pamphlets and original artifacts. The collection was recently donated to the Las Vegas Library of the University of Nevada.

NRA's payroll stuffer program will be available to restaurant owners and operators on Dec. 1, 1982. For more information, contact NRA's human resource department in Washington, DC, (202) 638-6100.

AT YOUR SERVICE

Answers to your questions about wine

The popularity of wine has increased in recent years, and many foodservice operators have begun to educate themselves and their employees about wines and wine trends. One source for wine data is NRA's information service and library, which receives numerous inquiries on various aspects of the wine industry. Below is a sampling of the most-frequently asked questions.

Q. I am preparing a wine training seminar for my employees. Can you suggest a reliable manual or book I can use?

A. NRA's *Wine and the Bottom Line* is a step-by-step training manual that is easy to follow. Written by Edmund A. Osterland, one of the country's most knowledgeable wine consultants and educators, this book addresses such topics as planning, pricing, employee/consumer awareness, serving and merchandising techniques, the relationship between food and wine and many other areas of selling wines to increase your profits.

Q. What are the demographic characteristics of heavy and light wine consumers?

A. According to recent data from CREST (Consumer Reports on Eating out Share Trends), the demographic characteristics of heavy and light wine users are

- **Heavy users:** Women; persons over 25 years of age; persons from two-member families; persons from families with incomes over $25,000
- **Light users:** Men; persons 18 to 24 years of age; persons from three or more member families; persons from both lower and middle-income families.

Q. We are preparing to test market wine in some of our pizza restaurants. What information is available on state-by-state wine consumption?

A. According to an annual statistical analysis prepared by *Wines and Vines* magazine, the top 10 states ranked according to per capita wine consumption for 1981 were:

District of Columbia	6.94 gallons
Nevada	4.98
California	4.50
New Hampshire	3.68
Rhode Island	3.33
Washington	3.32
Arkansas	3.27
New Jersey	3.17
Massachusetts	3.10
Oregon	3.09

Q. What is the history of wine bars?

A. The wine bar was born in France. In 1974 the first U.S. wine bar, called the London Wine Bar, opened in San Francisco and began a trend that is now seen in a number of states.

A main feature of the wine bars is offering wine by the glass—a break from the traditional selling of wine. This method offers the patron the fun of sampling different types of wine and gives operators an opportunity to increase wine sales.

For more information on wine, please contact NRA's information service and library.

Voluntary inspection service

Making sure there's nothing fishy about your

American seafood consumption is growing. Because most people are reluctant to prepare fish at home, much of this fish is consumed in foodservice establishments. Restaurateurs, understandably, are buying more and more fish to meet this demand. But are they getting the quality they expect? For those foodservice operators who are not sure, the National Marine Fisheries Service (NMFS) provides an inspection service. In this article, Rita A. Creitz of NMFS's inspection services branch discusses the program and the services available for restaurateurs.

Recent reports from the U.S. Department of Agriculture (USDA) indicate that the increasingly health-conscious consumer has a growing appetite for seafood and prefers to enjoy it outside the home—in restaurants. Food Marketing Institute's 1981 publication "Consumer Attitudes Toward Seafood" describes the consumer as having the perception that fresh, high-quality seafood is more readily available in restaurants than in supermarkets. Research suggests also that the foodservice operator has discovered the high-profit potential and marketability of seafood items, as well as the opportunity for creating new menu items.

Those foodservice establishments with the greatest potential are the seafood specialty and franchised fast-food restaurants. They are also most likely to have experimented with underutilized, non-traditional seafood products. The expansion potential is there and, in fact, the expansion has begun. Seafood fast-food sales increased 18 percent from 1980 to 1981, and it is projected that they will grow another 15.3 percent this year. This growth and increased use of non-traditional seafood products have exposed the restaurateur to more than 500 domestic species of edible fish in various forms of presentation.

As a result, in some instances, restaurateurs may not be as confident about their knowledge of seafood as they are about other foods. The inspection services branch of the National Marine Fisheries Service (NMFS) provides a voluntary service that can increase that confidence. Its specialty is the inspection of seafood. Meat and poultry, for example, are assured to be wholesome by the mandatory inspection program of the U.S. Department of Agriculture. No such federal assurance is given seafood unless inspection is requested. The foodservice operator, then, may not be purchasing inspected seafood but may be relying on limited knowledge and experience or on the expertise of his supplier. The NMFS National Voluntary Fish and Fishery Product Inspection Program can be a valuable source of information. Its inspectors can tell you if you are receiving the quality levels of seafood products you requested. They can inspect and certify that the product

1. is the species you paid for
2. is the quality level you desire
3. is properly labeled with the correct net weight
4. contains the amount of flesh and coating you want.

What the program offers. . .

The approach of the program is one of constructive problem avoidance rather than policing. Inspectors work cooperatively with participants. They monitor the processing, packing, labeling and plant-sanitation activities and verify the effectiveness of the controls put in place by the processor to assure the quality, safety and wholesomeness of the products and the accuracy of the labeling.

The inspection program offers three types of services: (1) plant sanitation and product inspection, grading and certification services which are furnished on a formal contract basis; (2) lot inspection services on an as-needed basis; and (3) miscellaneous services, which include inspection for plant sanitation only, laboratory product analyses, consultative services, label and specification review and lot inspection services on a formal contract basis.

Different hourly rates are charged for each type of service, based on the costs associated with furnishing them. Currently, 105 processing establishments participate in the inspection program. Last year, approximately 20 percent of the seafood consumed in the U.S. was federally inspected.

U.S. grade standards exist for 20 fishery products. If your product is among this group, you might want your purchase graded, that is, determined whether it is Grade A, B, C or substandard. Use of the Grade A mark has proven to be a profit-making tool in the fresh seafood retail market, particularly in the mid-Atlantic states and New England. Studies have shown that the consumer is willing to pay a little more for the assurance of a Grade A product.

It may be that your supplier already participates in the inspection program. The NMFS biannual publication of *The Approved List of Sanitary Inspected Fish Establishments* lists the processors participating in the program and the products they pack under inspection. Another publication entitled *Institutional Purchasing Specifications for the Purchasing of Fresh, Frozen, and Canned Fishery Products* provides useful how-to information for those who purchase seafood in large quantities.

If you have any questions about the inspection program, direct your questions to: Inspection Services Branch, National Marine Fisheries Service, F/UD26, Washington, DC 20235, (202) 634-7458.

Promotions 82: National Conference Report

What do Sophia Loren, bingo and old-time menus have in common?

The National Conference on Promotion—Promotions 82—was attended by more than 160 individuals from all segments of the foodservice industry. The program was such a success it will become an annual event. "Learning about all the successful and sometimes wild programs made me feel that perhaps a little of the creative genius might rub off on me," said one of the participants enthusiastically. Here are some highlights from the conference.

"Mia con bia Sophia"—a Sophia Loren look-alike contest—was just one of the many promotions discussed at Promotions 82, the first annual NRA promotions conference. The conference, held in New York City, September 13-15, 1982, gave merchandising and promotion executives from all segments of the foodservice industry an opportunity to discover what works and what's new in restaurant promotions.

Conference speakers, chosen for their innovative ideas, sound business sense and creativity, blitzed participants with promotional concepts that ranged from subtle direct-mail packages to extravaganzas.

During the two and one-half day forum, one fact became clear to all the participants: You can't stay successful in the restaurant industry if you don't promote.

"If you don't promote, guests think you're going broke"...

"A product or service, once it has established itself in the industry, will decline in sales if not promoted," explained Don Smith, dean of the School of Hotel, Restaurant and Institutional Management at Michigan State University (MSU). But it's more basic than that, according to John Gruner of John Gruner Solutions, a restaurateur and consultant in the industry. "If you don't promote in today's marketplace, your guests think you're going broke," Gruner remarked.

How to promote was the focus of the conference. Using their successful programs as case studies, the presenters discussed all stages of their promotions—from creating and planning to measuring results. They agreed on the basic elements that should be part of a successful promotion.

Something unique to promote...

The goals of a successful promotion, the speakers said, should be to increase traffic, sales, profits, awareness and/or excitement. But no promotion will succeed unless you have something unique to promote—something that makes your operation different from your competitor's—whether it's distinct food, entertainment, value or excitement.

Why must you be unique? Clyde Thompson, vice president of Marketing Restaurateurs, Inc., explained: The average person is bombarded with hundreds of ads each day and remembers only one or two. The competition for recognition is so keen you must offer something exceptional.

This requires tunnel vision, added Michael Jaye, director of public relations and promotions for Lettuce Entertain You. Whether you put on five separate promotions a year or 50, your goals should be the same. Lettuce Entertain You's goals, for example, revolve around excitement and entertain-

You can learn about promotions that work...

Participants at the Promotions 82 conference agree that they were inspired by the case histories presented at the meeting. To share these successful promotion ideas with restaurateurs who were unable to attend the conference, NRA is editing a transcript of the conference. The transcript, which will be available in November from NRA's educational materials center, covers such promotions as

- pasta-eating contest
- bingo game that highlights menu items
- big tent new year's eve party
- larger-than-life coupon
- visit from a restaurateur/chef celebrity
- employee sales contest
- week of old-time menus and pre-inflation prices
- meal that highlights menu items from famous restaurants
- direct mail invitation to community leaders with value coupon
- fine arts tour around the city, ending with a Sunday brunch
- special subscription price for five different meals from around the world
- mia con bia Sophia look-alike contest.

ment. An event like their "Lawrence of Oregano pasta eating contest," covered on television by *PM Magazine* and described in detail at the conference, didn't increase sales the evening of the event, but it created excitement and exposure that was worth thousands of dollars in advertising.

Employees—the key to successful promotions. . .

Whether you run a fast-food operation or an upscale restaurant, there is one ingredient essential to all your promotions—your employees. They can make the difference between success and failure of almost any promotion, no matter how well planned. If employees are not part of the process, either in concept creation or training, you should go back to the drawing board, suggested Brent Cristie, food and beverage director of the Hyatt Regency, Dallas, TX. "Your promotions are just the spoon in the sauce," Cristie stated. "But the spoon is no good unless you have someone to stir it."

Keeping track of objectives. . .

Many operators lose sight of their objectives when they promote. One key objective should always be to build return trade, explained Dennis MacKee, director of promotions for Hardee's Food Systems, Inc. "Your food is a perfect way to do this," he suggested. "Use a current menu item or an item you plan to put on your menu. It makes little sense to offer a special item that will never appear on your menu. Menu items should always be part of a promotion because first-time customers get a chance to taste your best and will be inspired to come back for more."

MacKee speaks from experience. Hardee's successfully used a typical bingo game card to promote the chain's bisquits—a product that makes them unique in the fast-food marketplace. Each of the match words on the bingo card described the biscuits, such as, made-from-scratch, light, fluffy, crisp. As customers matched these words on the card, they also learned about the quality of the biscuits. Thus Hardee's not only succeeded in building short-term sales through the promotion, the chain also built long-term recognition for a distinct item on its menu.

Though the speakers agreed on the essentials of a great promotion, there was a lot of disagreement on how and when to promote. While some speakers emphasized the need to promote when traffic is already strong, others argued that aggressive foodservice operators should promote during their slow periods. Both were right—depending on the objectives of the promotion and the type of operation you run.

Barry Zacks, CEO of Max and Erma's Restaurant in Columbus, OH focuses his promotions on slow periods. For Max and Erma's that's just after Labor Day. On Labor Day in 1981 and the three days that followed, the restaurant offered its 1971 menu and 1971 prices to customers in celebration of its 10th anniversary. The results: increased sales and community recognition that Max and Erma's is a local business there to stay.

For other promotion basics, see the accompanying chart.

***Editor's note:** A committee of participants was formed during Promotions 82 to start planning next year's conference. Please contact the NRA seminars department if you have any ideas for the 1983 national promotions conference program.*

Promotions checklist

Decide on objectives. They will dictate the type of promotion program you develop. Objectives can include

- increasing awareness of your operations
- developing real growth
- stimulating repeat trade
- building customer loyalty
- appealing to a new market
- improving market position
- increaseing profit
- solving a specific problem, such as slow periods.

Do your homework. The more you know about your market area, the better directed you'll be—it will save lots of money in the long run. Things you might do are

- study market mix and select target group
- find out what your competition is doing
- find out what the people that go to your competition think of *your* operation
- develop budget limits
- understand the limits management may place on promotions. Some CEOs may feel strongly about certain types of promotions—like games and discounts, others may have narrow definitions of "good taste" promotions.

Study ability of restaurant. This will help you decide on your restaurant's unique characteristics. Factors to consider include

- quality of food
- scope of menu
- atmosphere
- service/convenience
- entertainment/excitement.

Create and develop ideas that draw *attention* and *stimulate interest, desire* and *action.*

Prepare your promotion carefully. Get input from every source you can think of. Once you have developed your criteria for promotions, let out your creativity. Remember, often your staff will be the best source for ideas. If you use an agency, be sure to check references and review its previous foodservice work. Finally, be sure to keep your program flexible enough so you can get out if it doesn't work.

Pretest—don't start a promotion blindly or you may end up broke. Take time to:

- test in one restaurant if you have many
- talk the idea over with your employees if you only have one restaurant
- plan your production schedule; it may take time
- send press releases to the press
- train your employees
- make sure your employees are motivated and understand all aspects of the promotion.

Measure results. Decide before you begin your promotion how you will compare results with your original objectives. Prepare a report on the promotion, listing good points as well as costs and schedule of preparation. You should refer to this before you start on a new promotion.

Wine consumption is up—
But are your profits?

Wine
& The Bottom Line

Back by popular demand
A second edition

Americans are consuming more wine than ever before. *Wine & The Bottom Line* will help restauranteurs follow this trend to their advantage. It is a simple & comprehensive guide which will help build wine sales through merchandising, variety and selection.

Edmund Osterland's *Wine & The Bottom Line* fills a gap in wine publications in the foodservice industry. It's basic, it's readable—written not only for the wine connoisseur but also the average restaurateur. This book talks directly to restaurant managers, focusing on what they need to know to build their sales through:

— employee training
— customer education
— profitable merchandising
— selection
— storage and
— presentation and service guidelines.

Don't ignore your profit potential. Order this NRA publication today. Call (202) 638-6100 or toll-free (800) 424-5156 for more information.

TECHNICAL SERVICES

Fire evacuation procedures do save lives

We are again reminded of the tragic cost of fires by National Fire Prevention Week, which this year fell from October 3 to 9. Loss of life is forever mourned. Direct and indirect costs are staggering. Loss of sales are astronomical. And rebuilding is a painstaking process.

Fighting fires before they start with improved sanitation and housekeeping measures is the most effective fire prevention approach. But even the best fire prevention programs can fail. That is why restaurant owners need a well-designed fire protection program to lessen the loss of life and property. Such a program consists of equipment, to be sure, but more important still are well-planned and well-rehearsed evacuation procedures.

Even if you pay considerable attention to installing and maintaining protection equipment—and every restaurant should have the required systems, detectors and portable extinguishers, equipment will do little to help panicked customers and employees at the time of fire.

Evacuation procedures must be planned well in advance. Although the restaurateur has ultimate responsibility to coordinate an evacuation, you cannot be in all locations at one time. That is why you should appoint a supervisor to coordinate dining room evacuation and another supervisor to coordinate kitchen evacuation. These employees should know exactly what to do if evacuation is necessary and to safely direct both your customers and your employees out of your restaurant.

Although it is not possible to make all your customers familiar with exit locations and access routes, you can make sure that all your employees have this information. During training, you should familiarize all new employees with exit routes, doors and evacuation procedures. As an ongoing reminder, post diagrams of travel paths and other information in a central location, and, from time to time, schedule a drill to make sure that employees can proceed calmly and knowledgeably. It is a calm attitude, fire fighters say, that assures an exit without panic.

Finally, never delay an evacuation even if the fire appears to be insignificant. In the tragic Beverly Hills Supper Club fire where 164 people perished, the club staff attempted to extinguish the fire before notifying the customers to evacuate the building and before calling the fire department. This delay caused most of the dining room guests to perish needlessly as the seated victims were not notified of the fire until most of the other occupants of the building had been evacuated to safety.

This is the conclusion of Raskin's insurance overview—based on a presentation at the 1982 NRA Show.

2 ways to avoid large claims

by Hank Raskin
President
Commercial
Insurance Agencies
4th of a series

The crux of why you buy insurance is claims. And the best advice I can give you on claims in restaurants is to never tell a person who gets injured that you are going to turn the matter over to your insurance company. The minute you tell them that, they're going to think, "Boy, am I going to get this guy." And that's exactly what happens.

Instead of telling them that you've got insurance, show concern. If a person gets burned or cuts himself on something or if he falls down a flight of stairs, be compassionate. Either take that person to a doctor or hospital yourself or ask your manager to take them. Then stay with them. This is the human thing to do and it pays off.

Let me give you an example. We had an incident in one of our larger restaurants. A woman fell down a flight of stairs. She cut her head, she broke her glasses, she tore her dress and she injured her knee. The manager took her to the hospital and stayed with her the whole time. When they released her that evening, the manager told her that any expenses she incurred would be paid for by the restaurant.

About a month later the restaurant got a beautiful letter from this woman. It turns out she owns a very large corporation in the United States, and she said she was very pleased with the way the restaurant helped her and the concern they showed for her. She did enclose a bill for a couple of hundred dollars for the damages done to her dress and her glasses and so forth, but she did not make an issue of her personal injury; she did not sue.

I told the operations officer of this chain of restaurants to pay her directly and to give me a copy of that check. I took the check and forwarded it to the insurance company, and the insurance company reimbursed the restaurant. The woman never knew insurance was involved, and today she's still a loyal customer of that restaurant.

So it really is important how you handle injuries. Always report your claims to the insurance agent—no matter how incidental you think they may be. If a person gets injured in your restaurant, you can end up with a lawsuit six, eight or nine months later. When you report a possible claim as soon as it happens, it gives the insurance company time to set up a file and to gather any data that may be important. It's much harder to get the facts nine months later.

Loss control can cut down claims. . .

Of course, the best way to handle claims is just not to have any. How do you eliminate them? You can take large deductibles and eliminate a lot of small losses; but if you're having constant, continuous losses, you need a maintenance program.

Out of the 20 major causes of accidents in restaurants, two of them make up 66 percent of the total. Forty-five percent of employee claims are results of spills that have not been cleaned up. Another 21 percent are back injuries from lifting heavy items.

As far as guest claims are concerned, there are two items that make up 55 percent: losses caused by foreign substances in foods or alleged food poisoning and injuries resulting from defective furniture and equipment. Injuries primarily result from defective chairs and ragged or worn carpeting.

With a little bit of preventive control, you can eliminate such losses. An insurance agent can work with you on this matter. He can participate in safety meetings with employees or provide safety posters. Insurance is a service-oriented business the same as the food business. It, too, must be responsive to the needs of its customers, and agents should be more than willing to help.

FOODSERVICE TRENDS

1982 annual operating ratio report now available

In response to frequent inquiries from members of the foodservice industry and investors who seek information on the financial and operating data of the nation's restaurants, the National Restaurant Association has published *Restaurant Industry Operations Report '82*. This annual study, conducted jointly by NRA and the international accounting firm Laventhol & Horwath, contains a wealth of information which is not available from any other public source. The financial data for this study were supplied by NRA members, and the analysis was performed by Laventhol & Horwath.

This comprehensive report includes specific financial information on full and limited menu (fast food) restaurants with tableservice, limited menu restaurants without tableservice and cafeterias. Information is broken down by restaurant type, location, sales volume, menu theme as well as by years of operation. The report has been divided into two sections—one for restaurants serving food only and the other for restaurants serving both food and alcoholic beverages.

The accompanying table is a sample of the information included in this valuable report. These same data are available for full menu and limited-menu restaurants as well as for restaurants serving food only. Other information presented in the publication include:

- breakdowns of payroll expenses by function
- ratios for return on assets
- figures for total cost of sales
- breakdowns of administrative, advertising, utility and direct operating expenses.

Restaurant Industry Operations Report '82 will be available in mid-November at a cost of $12.50 for NRA members and $25 for non-members. To order contact NRA's Educational Materials Department, 311 First Street, N.W., Washington, DC 20001 or call (800) 424-5156. Please specify number CS950 when placing your order.

The restaurant industry dollar: 1981 Food and beverage restaurants

Income	
Food sales	72.1%
Beverage sales	27.1
Other income	0.8
Total income	100.0%
Expenses	
Cost of sales	
Food costs	27.1%
Beverage costs	7.1
Total cost of sales	**34.2%**
Controllable expenses	
Payroll expenses	29.0%
Employee benefit expenses	4.5
Direct operating expenses	5.7
Music and entertainment expenses	0.7
Advertising and promotion expenses	2.4
Utility expenses	2.9
Administrative and general expenses	5.3
Repair and maintenance costs	1.9
Total controllable expenses	**52.4%**
Occupation costs	
Rent, property taxes, insurance cost	5.2%
Interest	1.2
Depreciation	102.9
Total occupation costs	**9.3%**
Net income	
Net income before income tax and other deductions	4.5%
Other deductions	(0.4%)
Net income before income tax	4.1%

Source: *Restaurant Industry Operations Report '82*, published by the National Restaurant Association and Laventhol & Horwath, November 1982.

Recession and recovery: region-by-region

Restaurant sales performance varies from state-to-state and region-to-region, depending to a great extent on the economic well-being of the area. Growth in personal income, price increases for consumer goods and the rate of unemployment are factors that can affect restaurant sales. For this reason, NRA's research department has examined recent economic indicators in the nine major regions of the United States. This report will highlight those trends and comment on the economic outlook for each geographic region. Restaurant operators can use this information to understand how economic conditions can affect their business, to set sales goals and to make expansion plans. However, restaurateurs should keep in mind that sales for specific states and metropolitan areas within any given region can vary from figures presented for a region as a whole. The accompanying maps show the states located in each region. A more comprehensive discussion of regional sales and forecast for 1983 will appear in the December 1982 issue of **NRA News.**

Recession has affected all regions. . .

The 1981-82 recession is affecting all regions of the United States, but the downturn is more severe is some areas of the country than others. The East North Central region, for example, which has the nation's highest concentration of labor and income in motor vehicle manufacturing, is, not surprisingly, the most severely depressed area in the country.

It appears, however, that the nation's economic recovery has begun. The gross national product (GNP)—adjusted for inflation—rose at an annual rate of 2.1 percent in the second quarter. While this gain was not as robust as many economists had anticipated, it appears that the end of the recession is near. Other factors promising an upswing in the economy are:

- the unprecendented rally recorded by the stock market in September, which indicates there is confidence in the nation's economy
- a drop in interest rates
- a slowdown in inflation. The consumer price index (CPI) has moderated in 1982, rising 6.9 percent during the first eight months—compared with 9.6 percent gain for all of last year.

Unemployment remains a problem, however. The nation's unemployment rate was 10.1 percent in September, up from 9.8 percent in the previous month and at its highest level since World War II. In addition, there are indications that unemployment will remain high in the coming months.

New England region helped by industrial mix. . .

The New England region is weathering the 1981-82 recession better than those experienced in previous years. This is due primarily to the area's industrial mix: It has a large concentration of employment in industries, such as defense and high-technology manufacturing, that have not been as adversely affected by the economic downturn. The New England states are also benefiting from a growing services sector, centered primarily in Massachusetts. In addition, this area has adjusted to slower growth in state and local governments less painfully that other regions of the country.

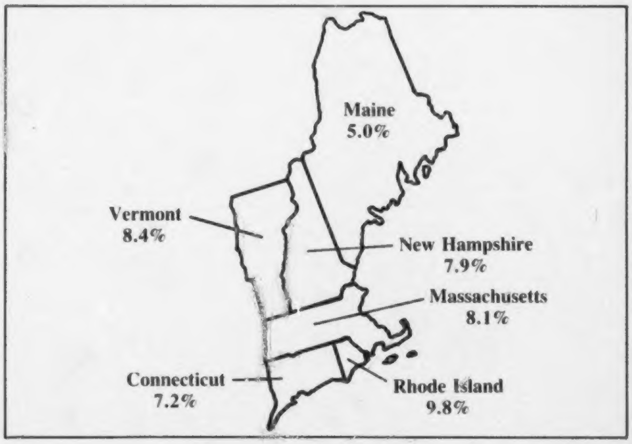
During the first four months of this year, total personal income in the New England region rose at a rate similar to that for the U.S. as a whole, according to preliminary estimates by the U.S. Department of Commerce.

Unemployment in the New England states is relatively low—averaging 8.1 percent during the first five months of this year versus 9.0 percent for the country as a whole. However, this is considerably higher than the 6.3 percent rate experienced in this region in 1981.

Unemployment rate for New England Region

January-May 1982

New England Region	8.1%
Total U.S.	9.0%



Economic recovery in the New England states is projected to begin during the last half of this year. Because the region produces a disproportionate share of the nation's capital goods, the area's economic performance is closely tied to improvement in the national economy.

Despite this improvement, NRA's forecast calls for eating place sales to experience below average growth in the New England region in 1982. This is due primarily to the region's expected below average gain in disposable personal income in 1982—10.2 percent versus 11.2 percent for the nation as a whole.

Middle Atlantic region handicapped by dependence on steel. . .

The Middle Atlantic region is experiencing the effects of the current recession, but economic performance is expected to improve during the last half of 1982.

During the first four months of 1982, total personal income in the area advanced at a slower pace than for the nation as a whole, according to preliminary estimates by the U.S. Department of Commerce. In addition, unemployment averaged slightly above the level for the nation during the first five months of this year—9.2 percent versus 9.0 percent. This is significantly higher than the 7.8 percent rate experienced by the region in 1981.

This below average economic performance is tied to the region's economic vulnerabilities.

- It relies heavily on the steel industry as a major source of employment and income
- The population continues to decline in the region
- Industrial plants and equipment are still outdated.

However, the high labor costs and tax burdens in the area are declining, and the New York City economy, in particular, is experiencing rapid growth. These factors should contribute to economic recovery later this year but will probably not be sufficient to counter the area's economic vulnerabilities as far as eating place sales are concerned. As a result, NRA's forecast calls for eating place sales in this area to record below average growth in 1982.

Menu prices rise at above average rate in northeastern states. . .

Menu prices, in the Northeastern states, which comprise both the New England and Middle Atlantic regions, rose at a somewhat faster rate than for the nation as a whole during the first half of this year—6.1 percent, versus 5.7 percent, according to the Consumer Price Index (CPI) for food away from home.

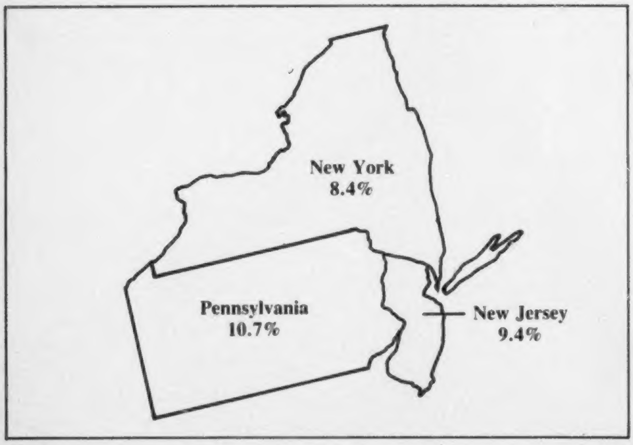
In contrast, prices for food at home increased 4.6 percent. This increase is also faster than the 4.0 percent rise in grocery store food prices nationally.

However, overall inflation in the Northeastern states rose at a somewhat slower pace than for the nation as a whole during the first half of this year—5.8 percent compared with 7.2 percent nationwide.

Unemployment rate for Middle Atlantic Region

January-May 1982

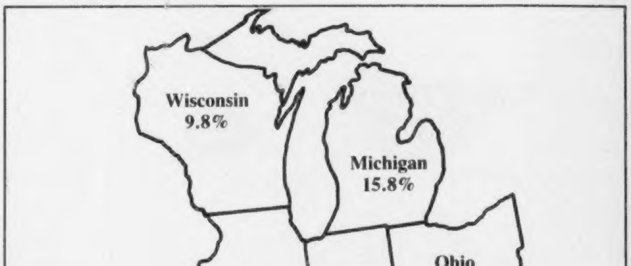
Middle Atlantic Region	9.2%
Total U.S.	9.0%



Unemployment rate for East North Central Region

January-May 1982

East North Central Region	12.1%
Total U.S.	9.0%



East North Central region experiences most severe downturn. . .

The East North Central states are experiencing the most severe downturn of any region in the U.S. This area relies heavily on durable goods manufacturing, such as automobiles and steel, as a source of employment and income. These industries bore the brunt of the 1980-81 recession and have been adversely affected by the current downturn as well. The auto industry will not experience a recovery this year and car manufacturers are continuing to lay off workers. In addition, many of the area's other industries, such as steel, construction equipment and appliance manufacturing, are operating at 20-year lows. Also contributing to the area's poor economic performance is the migration of industries away from the region to sunbelt states.

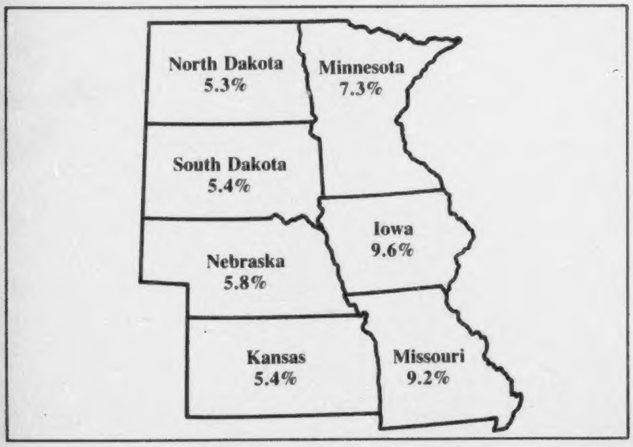
The East North Central states experienced the slowest increase in total personal income in the nation during the first four months of 1982, according to preliminary estimates by the U.S. Department of Commerce. Growth in total personal income in this region in 1981 also was the lowest in the country—9.0 percent compared with 11.6 percent for the U.S. as a whole.

Unemployment in the East North Central area reached the double digit level during the first five months of this year—12.1 percent, considerably above the 9.0 percent rate nationally. Michigan had the highest level of unemployment in this region as well as in the nation—averaging 15.8 percent during the January-May 1982 period.

Unemployment rate for West North Central Region

January-May 1982

West North Central Region	7.7%
Total U.S.	9.0%



Because of the area's dependence on auto manufacturing and related industries, the economy will continue to be depressed throughout 1982. Improvement cannot be expected until interest rates decline and domestic auto sales increase substantially. As a result, NRA's forecast calls for eating place sales in the East North Central states to experience one of the slowest gains in the nation.

West North Central region suffering from declining farm income. . .

The West North Central states are feeling the repercussions of the 1981-82 recession due primarily to their dependence on agriculture, which accounts for a disproportionate share of the region's income. The record grain harvest last year caused farm prices to drop and, as a result, farm income declined. USDA is predicting another record grain crop this year and so the long-term outlook for the region is worsening. Farm prices are expected to fall below the depressed levels of this year and will most likely cause farm income and land values to decline further. However, other industries—such as mining, defense and services—are becoming increasingly important to this region and will account for much of the growth projected for the West North Central region in 1982.

During the first four months of this year, total personal income in the West North Central states increased faster than for the U.S., according to preliminary estimates by the U.S. Department of Commerce. Although the West North Central region has one of the lowest unemployment rates in the U.S., the level of unemployment has been growing. During the first five months of this year, unemployment averaged 7.7 percent in this area versus a higher 9.0 percent nationally. This compares with a lower 6.0 percent level for the region in 1981.

Because economic activity in the West North Central region mirrors that for the country as a whole, recovery is projected to begin during the last half of 1982. The area's heavy dependence on agriculture, however, suggests improvement will be modest due to the projected drop in farm income.

Nonetheless, the below average unemployment rate in the area should have a positive effect on eating place sales, and NRA's forecast calls for eating place sales in this area to record above average growth in 1982.

Menu prices in midwest advancing at slower rate. . .

Menu prices, in the Midwestern states, which comprise the East North Central and West North Central regions, advanced at a slower rate than for the total U.S. during the first half of this year—4.0 percent versus 5.7 percent, according to the Consumer Price Index (CPI) for food away from home. Grocery store prices in the midwestern region advanced at a slower pace than menu prices during this same period—3.7 percent compared with 4.0 percent nationwide.

Overall inflation in the Midwestern states rose at a rate similar to that for the total U.S. during the first six months of 1982—7.1 percent compared with 7.2 percent nationwide.

South Atlantic region's response to recession is uneven. . .

The South Atlantic region is feeling the effects of the current recession less severely than are other areas of the country. However, the region's overall economic performance is difficult to characterize due to the lack of uniformity among the states. The northern half of the region exhibits many attributes of the Middle Atlantic region—such as slower growth in income and population as well as higher levels of unemployment—while the Southern half has experienced more rapid growth.

During the first four months of this year, the South Atlantic states recorded growth in total personal income below the national average, according to preliminary estimates by the U.S. Department of Commerce. This can be attributed, in part, to slower growth in the airline industry—a major employer in the region. In addition, the area's textile industries must compete with high import levels, which currently have a price advantage due to the strength of the dollar.

Unemployment in the South Atlantic states has been on the upswing during the January-May 1982 period, averaging 8.5 percent versus the 7.0 percent rate in 1981. Nonetheless, this is still below the 9.0 percent level nationally. West Virginia recorded the highest unemployment rate in this area—11.8 percent—during the first five months of this year, followed by South Carolina at 11.1 percent. On the other hand, Virginia had the lowest level of unemployment—7.6 percent—during this same period.

Economic recovery in the South Atlantic region is projected to begin during the second half of 1982 but improvement is expected to be only moderate. The region has many strengths such as its ability to attract new businesses because of its advantageous tax structure as well as lower wage rates and energy costs. In addition, the population is continuing to increase. Based on these factors, NRA's forecast calls for restaurant sales in this area to record above average growth in 1982.

East South Central region suffers repercussions of downturn. . .

The East South Central region felt repercussions of the current recession because manufacturing in the region is concentrated in industries—such as building materials and household appliances—which have been adversely affected by the downturn. As a result, growth in total personal income in the area continues below the national average, while unemployment is higher than the level for the nation as a whole.

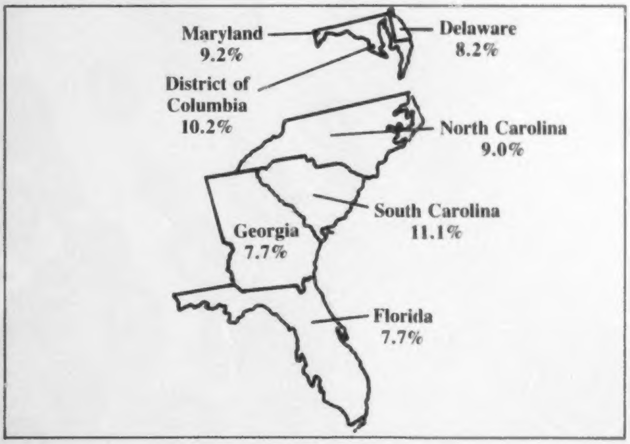
During the first four months of this year, growth in total personal income in the East South Central states was below that for the U.S. as a whole, according to preliminary estimates by the U.S. Department of Commerce.

Unemployment also averaged considerably higher than the

Unemployment rate for South Atlantic Region

January-May 1982

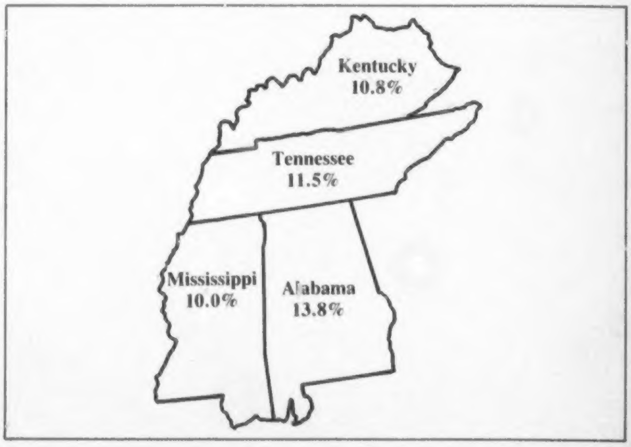
South Atlantic Region	8.5%
Total U.S.	9.0%



Unemployment rate for East South Central Region

January-May 1982

East South Central Region	11.7%
Total U.S.	9.0%



national average during the January-May 1982 period—11.7 percent compared with 9.0 percent. Alabama recorded the highest level of unemployment among the East South Central states during this same period—13.8 percent, followed by Tennessee—11.5 percent, Kentucky—10.8 percent and Mississippi—10.0 percent.

Economic recovery in this area is projected to begin during the second half of 1982, but is expected to lag behind the nation's. Interest rates have recently begun to decline and are expected to result in increased housing starts and sales later this year, contributing to economic growth projected for this area. As a result, NRA's forecast calls for eating place sales in this region to experience above average performance in 1982.

West South Central region has lowest level of unemployment. . .

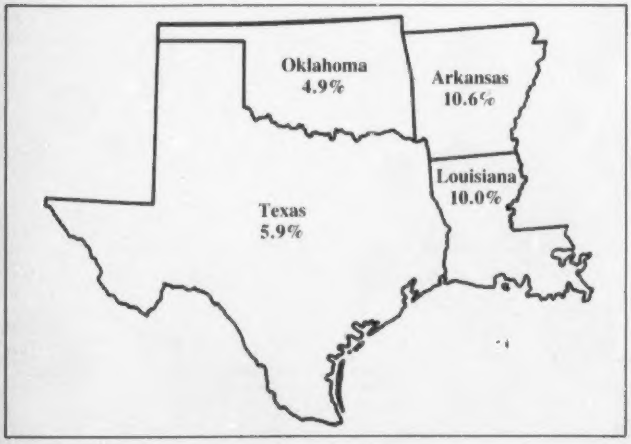
The West South Central region, which is one of the most rapidly growing areas in the U.S., has felt some negative effects of the 1981-82 recession, but the slowdown in economic growth has not been as severe as in other regions.

In 1981, this area experienced the most rapid growth in total personal income and the lowest unemployment rate in the nation. Oklahoma and Texas account for much of the region's above average performance due to their increase in onshore and offshore oil and gas drilling and exploration. However drilling and exploration activities have experienced a slowdown recently due to declining oil prices, and this, in turn, has cut back the pace of economic growth in this area. In addition, lower oil prices are expected to adversely affect the energy-related industries located in this area.

Unemployment rate for West South Central Region

January-May 1982

West South Central Region	6.9%
Total U.S.	9.0%



Total personal income in the West South Central region advanced at an above average rate during the first four months of this year, according to preliminary estimates by the U.S. Department of Commerce. Total personal income in the West South Central region increased 15.8 percent in 1981, the strongest gain in the nation.

Unemployment in the West South Central region is still the lowest in the country, however, it has been on the upswing this year. During the first five months of 1982, unemployment averaged 6.9 percent versus a considerably higher 9.0 percent level nationally. This compares with a 5.9 percent unemployment rate for the region during 1981. The higher level of unemployment this year may adversely affect restaurant sales as some states in this area, such as Texas, have minimal unemployment benefits and social programs to handle the large numbers of jobless workers.

Despite the negative effects of the current downturn, economic growth in this region is expected to continue to outperform the nation. NRA's forecast calls for eating place sales in this area to be among the strongest in the nation, recording above average growth in 1982.

Menu prices up 5.5 percent in the southern states. . .

Menu price inflation in the southern states, which comprise the South Atlantic, East South Central and West South Central regions, approximated that for the total U.S. during the first half of this year—5.5 percent compared with 5.7 percent nationwide, according to the Consumer Price Index (CPI) for food away from home.

During this same period, prices for food at home rose 3.8 percent, compared with a 4.0 percent gain nationally.

Overall inflation in the Southern states rose at a pace similar to that for the total U.S. during the first half of 1982—7.3 compared with 7.2 percent.

Mountain region not expected to recover until 1983. . .

Although the Mountain region is one of the most rapidly growing areas in the U.S., it has been adversely affected by the current recession, due to declining oil prices, slower growth in high-technology industries and reduced government employment. As a result, economic recovery is not expected to begin in the area until 1983. Despite this glum forecast, the region is still in better shape economically than most other areas of the country.

Total personal income in the mountain states advanced at an above average rate during the first four months of this year, according to preliminary estimates.

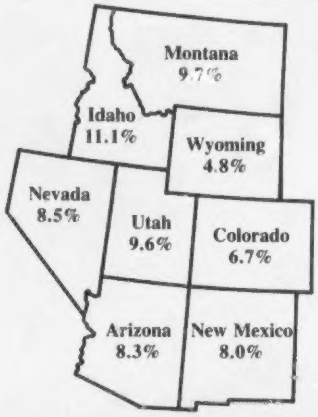
Although the Mountain region has one of the lowest levels of unemployment in the nation, an upward trend has begun.

During the first five months of this year, unemployment averaged 7.9 percent versus a 9.0 percent rate nationally. In comparison, unemployment in this area was 6.3 percent in 1981.

Unemployment rate for Mountain Region

January-May 1982

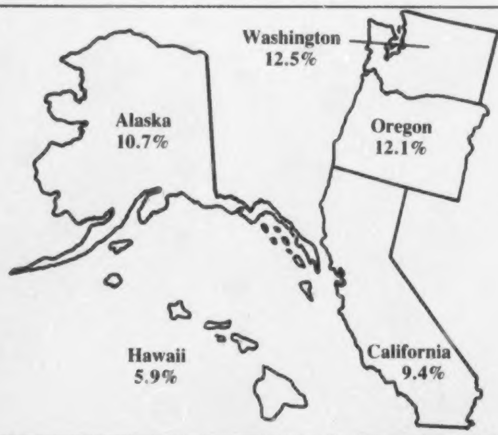
Mountain Region	7.9%
Total U.S.	9.0%



Unemployment rate for Pacific Region

January-May 1982

Pacific Region	9.9%
Total U.S.	9.0%



Commodity price index

Wholesale food prices for restaurant operators rose 2.5 percent during the first eight months of this year from the same period in 1981. In comparison, overall wholesale food costs increased at a somewhat slower, 0.8 percent, rate. Higher prices for other meats, fish, shellfish, fresh fruit and beverages contributed to the rise in wholesale food costs for restaurant operators during this eight month period.

In comparison, wholesale food costs for restaurant operators declined 1.2 percent in August from the month earlier, while overall wholesale food prices fell at a slower, 0.4 percent, rate. Lower prices for fresh vegetables, beef, veal, poultry, eggs, flour and cereal contributed to the drop in wholesale food prices for restaurant operators during this one-month period.

Percent change

Commodity	1980-1981	Aug '81 Aug '82	8 mos. '81 8 mos. '82	July '82-Aug '82
Bakery products	8.3%	2.9%	4.0%	0.1%
Flour & cereal	−7.0	−8.5	−5.6	−2.2
Beef & veal	−5.0	−3.1	0.8	−3.6
Other meats	−7.6	15.2	14.3	0.3
Pork	11.5	13.4	13.3	0.5
Poultry & eggs	2.4	−8.8	−8.0	−2.4
Poultry	nc	−10.1	−10.9	−3.2
Eggs	9.2	−5.0	−0.1	nc
Fish & shellfish	1.8	14.5	9.0	1.8
Sugar & sweets	−2.9	1.7	−5.9	1.7
Sugar	−13.6	6.3	−8.7	3.6
Vegetables	22.6	−11.7	−2.8	−7.3
Fresh vegetables	27.1	−21.8	−9.5	−12.0
Fruits & juices	4.1	4.5	6.4	5.4
Fresh fruit	−5.2	12.1	9.2	14.9
Beverages	−2.3	4.9	5.0	0.1
Dairy products	6.4	1.4	1.2	0.1
Fats & oils	2.1	0.9	−0.8	−1.3
NRA Food Cost Index	3.0%	1.6%	2.5%	−1.2%
All Food, Producer Price index[1]	3.0%	0.9%	0.8%	−0.4%

[1] Includes all processed foods (except soft drinks, alcoholic beverages and animal feeds) plus eggs and fresh and dried fruits and vegetables.

Sources: *Producer Price Index, Bureau of Labor Statistics; NRA*

Analysis: Fish consumption tied to prices and supplies

Although fish and seafood have become increasingly popular with consumers over the last decade, consumption of fish and seafood is often more dependent on prices and supplies than on customer preferences. As an analysis of prices and supplies for fish and shellfish during the 1975-1982 period demonstrates, the situation can vary considerably from one year to the next. (See accompanying tables.)

During the first half of 1982, for example, overall landings of fish and shellfish declined, and prices have increased 8.4 percent. Because of these higher prices and lower supplies as well as more moderate gains in prices for competing commodities, such as beef and veal, per capita consumption of fish and seafood could decline in 1982.

This report examines past and present costs and availability for fish and seafood items that are popular at restaurants—shrimp, tuna, groundfish (such as cod, flounder, haddock and perch) and lobster. These statistics can help restaurant operators evaluate the effect the changing seafood market can have on their operation and how to adjust their menus accordingly. For more information on the consumption of fish and seafood items at restaurants by certain demographic segments, see the "Foodservice Trends" section in the October 1981 and the August 1982 issues of *NRA News*.

Prices and supplies of shrimp varied considerably during the 1975-1982 period, as shown in the accompanying chart. The largest gain in prices, 50.5 percent, was recorded in 1979. Supplies fell 1.8 percent that same year and followed a somewhat steeper, 14.3 percent, decline in 1978, which probably accounted for the large rise in prices.

During the first half of this year, domestic and imported shrimp landings were down 1.1 percent from the same period in 1981, and wholesale prices increased 20.0 percent. Prices of imported shrimp have been higher in 1982 most likely due to the strength of the dollar, stiffer import laws and worldwide competition. In addition, lower supplies in the first half of this year may have contributed to the rise in prices.

Although shrimp is popular both as an appetizer and entree, restaurant patrons may be ordering less shrimp this year since prices for this commodity are considerably higher than for popular meats, such as beef and veal.

Tuna prices and supplies also varied significantly during the 1975 to 1982 period. As the accompanying charts demonstrate, tuna supplies fluctuated considerably more than other seafood, leading to two major price increases during this period. In 1977, tuna prices advanced 20.2 percent, and in 1980 tuna prices advanced 23.1 percent.

During the first half of this year, tuna supplies took another plunge—dropping 21.3 percent, but prices fell slightly, 0.6 percent in the first quarter.

The changing seafood picture 1975-1981

	Per capita consumption*	Percent change in wholesale prices	Percent change in supplies
1975	12.2 pounds	6.9%	−3.7%
1976	12.9	24.6	15.8
1977	12.7	8.0	0.1
1978	13.4	6.4	9.7
1979	13.0	22.6	1.4
1980	12.8	−3.2	−3.0
1981	13.0	1.8	3.3

*Commercial fish and shellfish only; excludes game fish consumption

Percent change in shrimp prices and supplies, 1975-1982

	Supplies	Prices
1975	−3.2%	23.3%
1976	19.6	39.0
1977	8.0	−5.3
1978	−14.3	3.3
1979	−1.8	50.5
1980	0.3	−14.7
1981	0.2	−4.5
1982 (6 months)	−1.1	20.0

Percent change in tuna prices and supplies, 1975-1982

	Supplies	Prices
1975	−18.5%	0.2%
1976	13.2	7.1
1977	−11.5	20.2
1978	29.8	6.8
1979	−10.9	6.9
1980	−1.2	23.1
1981	6.6	8.3
1982	−21.3 (6 months)	−0.6 (3 months)

Source: *Bureau of Labor Statistics; National Marine Fisheries Service*

Despite this decline in supplies in the first half of this year, they are projected to be adequate to meet the lower demand expected throughout 1982.

Overall landings of groundfish, which include cod, flounder haddock and ocean perch, declined 9.2 percent during the first half of 1982 from the same period last year. Domestic landings for cod were up 8.8 percent in the January-June period while overall landings of flounder declined almost 35 percent, haddock 23 percent and ocean perch 9.1 percent.

Wholesale prices for cod decreased 2.9 percent in the first half of 1982 due most likely to the increase in supplies. Prices at the wholesale level for flounder rose only slightly—1.0 percent—during the first half of 1982 despite the decline in landings. Large carryover stocks are believed to have contributed to stable prices. On the other hand, wholesale prices for ocean perch and haddock rose at considerably faster rates of 9.2 percent and 34.6 percent during the first six months of this year. This is the result of a decline in landings this year as well as lower inventories.

Lobster prices and supplies increase in 1981. . .

Supplies of American lobster rose 12.5 percent in 1981 and ex-vessel prices—representing live prices received at dock—were up 9.3 percent. Despite larger supplies, prices may have remained high due to weak consumer demand. Supplies of live and processed American lobster products are expected to remain high throughout 1982 and 1983, but economic conditions will most likely result in only limited increases in demand because lobster is often perceived as a luxury item, and patrons may cut it out entirely or order it only on special occasions.

Percent change in lobster supplies and prices*, 1975-1982

	Supplies	Prices
1975	7.9%	12.8%
1976	4.9	5.0
1977	−0.2	13.3
1978	1.8	7.8
1979	11.0	−0.6
1980	1.3	5.8
1981	12.5	9.3
1982	n/a	n/a

*Ex-vessel prices—prices received at dock.

Source: *National Marine Fisheries Service*

NRA presents revised 1982 forecast

The National Restaurant Association has revised its 1982 forecast for eating place sales and menu prices. A slower rate of inflation than had been expected along with a more severe recession and a weak recovery have caused NRA to make these changes.

Sales for eating places are now expected to reach $80.5 billion, an increase of 7.8 percent, considerably below the original forecast of $82.4 billion or 10.4 percent. (See "Foodservice Trends" section of the December 1981 *NRA News*.) Sales figures and increases over 1981 for all eating place segments also have been revised, as shown in the accompanying chart. Limited menu restaurants are still predicted to register the largest advance—9.4 percent.

NRA now expects menu prices to increase only 5.8 percent, not 8.4 percent as it forecast last December. Slower price increases for many commodities, especially beef, pork, chicken and dairy products, coupled with a slowdown in labor and energy costs have helped restaurateurs keep menu price increases at a more moderate level than in previous years.

The real sales (inflation-adjusted) growth forecast for eating places in 1982 remain unchanged for 1982. NRA expects inflation-adjusted sales to rise 2.0 percent this year, considerably better than the 1.0 percent increase experienced in 1981.

NRA will present its 1983 sales and outlook forecast for the foodservice industry in December.

1982 forecast update

	Revised forecast		Original forecast	
Eating places	**Sales (000)**	**Percent change**	**Sales (000)**	**Percent change**
Restaurants and lunchrooms	$42,037,815	6.9%	$43,060,250	9.5%
Limited menu restaurants	33,705,397	9.4	34,511,268	12.0
Commercial cafeterias	2,412,690	4.2	2,472,892	6.8
Social caterers	814,268	1.0	835,229	3.6
Ice cream/ frozen custard stands	1,524,775	7.4	1,561,687	10.0
Total—Eating places	$80,494,945	7.8%	$82,441,326	10.4%
Menu price increase	—	5.8	—	8.4
Real sales growth for eating places	—	**2.0%**	—	**2.0%**

Source: *Research and Information Services Department, August 1982.*

Industry index

Sales at eating and drinking places increased 8.6 percent in August from the same month a year ago, somewhat slower than the 10.8 percent gain recorded in July.

Eating place sales advanced 12.4 percent in July from the same period in 1981, with real sales—adjusted for inflation—up 7.4 percent. During the first seven months of this year eating places recorded real sales growth of 3.6 percent. NRA's forecast calls for eating places to experience positive real growth of 2.0 percent in 1982.

Menu prices, as measured by the consumer price index (CPI) for food away from home—increased 5.1 percent in August, similar to the 5.2 percent gain experienced in July.

Prices for food at home rose 2.9 percent in August from the same month a year ago, well below the 4.1 percent increase experienced in July.

Retail sales
($000,000)

	Aug. 1982	percent change vs. July year ago	year-to-date sales 1982	percent change vs. year ago
All retailers	$88,930	−0.1%	$683,912	+1.9%
Eating & drinking places	9,229	8.6	67,524	8.1
Food stores	20,729	3.0	164,250	5.4

Source: *Bureau of Census, unadjusted data: subject to revision.*

Eating place indicators
($000,000)

	July 1982	percent change vs. year ago	year-to-date sales	percent change vs. year ago
Eating place sales	$8,335	+12.4%	$51,850	+9.2%
Real eating place sales (July)	—	+7.4%	—	+3.6%

Sources: *Bureau of Census, Bureau of Labor Statistics, NRA calculations: subject to revision*

Consumer prices

	percent change vs. Aug. year ago	percent change 1982-to-date vs. year ago
Food at home	+2.9%	+3.9%
Food away from home	5.1	5.6
All items less food	6.4	7.5

Source: *Bureau of Labor Statistics*

Employment and earnings

	July 1982	percent change vs. year ago
Total employment	4,883.2	0.6%
Non-supervisory employment	4,494.0	0.4
Non-supervisory average hourly earnings	$4.06	3.3
Average weekly hours	27.0 hours	nc

Source: *Bureau of Labor Statistics*

HALF BAKED

Wines in safe keeping

Stocks and bonds, insurance certificates, jewelry and mementos are not the only things that are finding their way into safe keeping. Now there are private and personalized wine lockers for storing rare and vintage wines.

NRA Board Member Ted Balestreri, owner of The Sardine Factory in Monterey, CA, offers 100 wine lockers to his clients that are designed to preserve the quality of rare wine. These are strictly controlled to guarantee optimal temperature, lighting and humidity conditions. The cost of renting a locker is approximately $150 per year. The first locker sold went to Hans Cornell of Hans Cornell Champagne Cellars as a present from his daughter.

NRA News interview

The world's most expensive bottle of wine

Who would pay $31,000 for a bottle of wine?

John Grisanti of Grisanti's Restaurant Inc. in Memphis, TN would—and did. In May 1980 in San Francisco, CA, Grisanti bought the world's most expensive bottle of wine. He and nine other Memphis businessmen paid $31,000 for an 1822 Chateau Lafite. This wine was the catalyst for a tasting of rare wines, which yielded $54,000 for St. Jude's Children's Research Hospital in Memphis.

John Grisanti said he does this for two reasons—national recognition for his restaurant and because he believes in the work of St. Jude's Children's Research Hospital. *NRA News interview*

The Shirley Temple of the wine set

Soon consumers who want to be part of the wine-drinking crowd, but don't like the effects of alcohol, can socialize incognito. According to Vito Bracciale, president of Beverage Importers, a division of Supreme Wine Company in Newtonville, MA, there is a white burgundy with the zing taken out.

This alcohol-free wine is made in Germany and Bracciale says he is looking for American outlets. The wine can be sold without a special license. Merchandising for this product is scheduled to begin this fall.

Beverage World

Wine. . .the first step to class?

Fried chicken and beer. Fried chicken and wine. Sound like unlikely combinations? "They seem to go together," says Ralph Velasco, owner of three Brown's fried chicken franchises. "I've always eaten chicken with beer," he adds. It seems that Velasco's customers agree that the punch of the new beverages complements the chicken's slightly salty breading. Since he introduced wine and beer a year ago, sales at his franchises grew by more than 20 percent.

Velasco says that not only do his customers linger longer now that he serves wine and beer but the change also attracts the white collar office crowd for lunch.

At the present time, Velasco sells all his wines by the glass, but he is thinking about adding bottle sales in the near future.

The popularity of wine and beer has been an inspiration for other innovations, too. Velasco has remodeled his restaurant and has begun upgrading the image of his franchises with tablecloths and candles after 5 p.m. He is now considering adding waitress service and replacing his paper cups with china. *NRA News interview*

Wine in beer barrels

This summer some San Franciscans did a double take when they ordered wine at their local bars. Several bartenders drew off their orders from beer kegs, in much the same way they serve keg beer.

Wine in barrels was part of a massive test marketing program organized by Anheuser-Busch for the Bay Area and Denver. Three wines were featured—a chablis, a rose and a burgundy—and were produced for Busch by the Lamont Winery.

The wines were distributed in aluminum kegs, each holding 15½ gallons.

—San Francisco Chronicle

NRA SEMINAR SCHEDULE

National Conference on Alcoholic Beverage Service

Nov. 7-10	Dallas, TX

Bar Management

Nov. 15-17	Boston, MA
Dec. 6-8	New Orleans, LA

Computers

Nov. 8	St. Louis, MO

Controlling Beverage Costs

Nov. 9	Baltimore, MD
Nov. 16	Charleston, WV

Controlling Food Costs

Nov. 8	Nashville, TN
Nov. 15	Charleston, SC

Controlling Labor Costs

Dec. 7	Atlantic City, NJ

Dining Room Management

Nov. 9	Wilmington, DE
Nov. 17	Milwaukee, WI
Dec. 6	Fresno, CA

Hiring Hourly Employees

Dec. 6	Albuquerque, NM

How to Turn Your Restaurant Business into a Private Tax Shelter

Nov. 17-18	Honolulu, HI
Dec. 6-7	St. Louis, MO

Kitchen Management

Nov. 16	Washington, DC
Nov. 22	Williamsburg, VA

Menu Development

Nov. 15	Bangor, ME
Nov. 17	Manchester, NH
Nov. 30	Salt Lake City, UT
Dec. 2	Las Vegas, NV

Creative Merchandising Techniques

Dec. 9	Atlanta, GA

Off-Premise Catering

Nov. 8-9	St. Louis, MO
Nov. 29-30	Los Angeles, CA

Operational Analysis

Dec. 8-9	Phoenix, AZ

Performance Review

Dec. 7	Albuquerque, NM

Practical Meat Workshop

Nov. 23	Richmond, VA

Preparing a Successful Employee Manual

Nov. 22-23	Las Vegas, NV

Real Estate and Site Selection

Nov. 9-10	Houston, TX

Simplified Baking Workshop

Nov. 18	Boston, MA

Super Salads

Dec. 7	Detroit, MI
Dec. 9	Chicago, IL

Basic Supervision

Nov. 9	Cherry Hill, NJ
Nov. 16	Chicago, IL

For more information, contact NRA's seminar department, 311 First St., NW, Washington, DC 20001; call (202) 638-6100 or (800) 424-5156.

EIGHTH ANNUAL

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National Restaurant Association
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NRA NEWS

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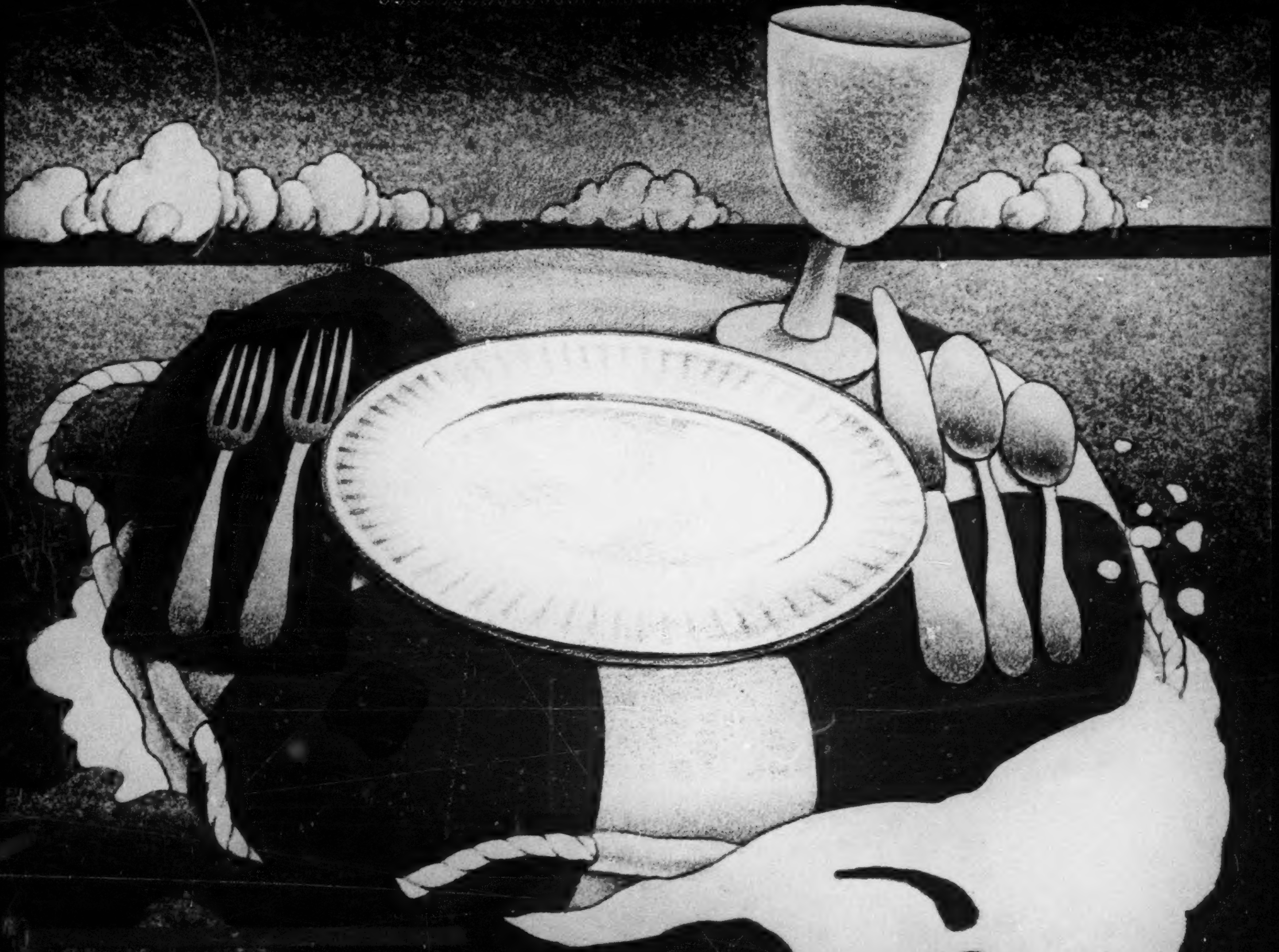

SURVIVING THE CRITICS

NRA NEWS—dedicated to meeting your needs

NRA NEWS in its magazine format is just a year old. Over the year, we've seen it quickly become the major information link with association members and a key publication in the foodservice industry.

The editorial structure of *NRA NEWS* is continually evolving. The facts in the foodservice trends section have inspired features as have NRA publications, seminars and workshops. Broad topics that cannot be covered thoroughly in just one article have been developed into series, such as the money series—here in its fifth installment—and the legal problemsolver—making its debut in this issue.

The editorial goal of *NRA NEWS* is to provide association members with current information about the foodservice industry in the most readable and digestible form. This month's cover story is on restaurant critics; the October issue explored wine service and its potential in restaurants and the December issue will highlight our annual foodservice industry forecast. Each article goes beyond the surface to provide operators with vital information they can adapt to their own operations to increase sales and boost profit.

If we are going to continue to meet your needs, *NRA NEWS* needs your help. We need to know when we hit the mark with an article and when we miss. Remember this is your publication, dedicated to providing the information you need to effectively run your business. Working together, we can make the next 12 issues even better than the first.

Sincerely,

Robert Neville

Robert Neville
Executive Vice President
National Restaurant Association

NRA NEWS

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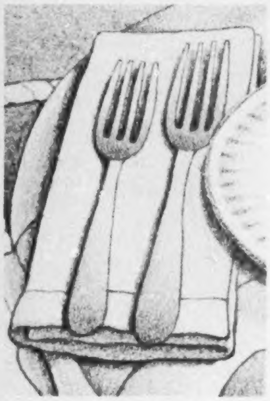

Critics—what they look for and what effect they have on restaurant business is the theme of this issue. NRA NEWS went to restaurant critics and foodservice operators to get both sides of the story. In addition to the features, several of the departments have information related to the cover story. (See "The Law," "Foodservice Trends" and "Half Baked.")

8 Nine of the country's leading critics describe what they look for when they evaluate a restaurant.

11 Carlton Jones, restaurant critic of *The Baltimore Sun*, reveals some of his thoughts on restaurant reviews in the viewpoint, "On the matter of qualifications, pet peeves and restaurant reviews."

12 Restaurateurs share their experiences, reactions and suggestions for effective restaurant reviewing. Also included on page 15 is a report on NRA's first awards competition for food editors.

27 Most consumers do pay attention to restaurant reviews. (*Foodservice Trends*).

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Money Series	**18**	NRA NEWS continues its series on financial topics with "Is it time to reconsider your no-check cashing policy?"
NAPA Crush '82	**21**	A report on NRA's seventh annual wine workshop, including some often-asked questions—and answers—about wine and the wine industry.

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Half Baked	**40**	Chain publishes 10 worst reviews to poke fun at itself. The result: a successful promotion.

Next Month:

- NRA's annual forecast for the foodservice industry.
- Children's menus: why they're important and fun.

Dec. 15: Deadline for nominations for 1983 gold/silver plate awards

The International Foodservice Manufacturers Association (IFMA) is accepting nominations for its 1983 gold and silver plate awards through Dec. 15.

The awards are presented annually by IFMA in recognition of lasting and outstanding contributions to the advancement of the foodservice industry.

To be eligible to receive an IFMA silver plate award, the nominee may be any person—worldwide—engaged in the active ownership, management, supervision or employment of one of the following

- full service restaurants
- fast service restaurants
- hospital and health care establishments
- elementary and secondary schools
- colleges and universities
- contract/industrial feeding operations
- hotels, motor inns, resorts and clubs
- public institutions and the military.

The gold plate recipient is selected, by secret ballot, from among the eight silver plate winners.

Recipients of the silver plate awards will be announced in February 1983. The gold plate award winner is announced at the gold plate banquet, which will be held May 23, 1983.

The gold and silver plate awards jury, composed of last year's silver plate winners and the editors of industry trade press, will base their selection of this year's winners solely on information contained in the nomination form.

To receive a 1983 nomination form, call IFMA at (312) 944-3838 or write IFMA at 875 N. Michigan Ave., Ste. 3460, Chicago, IL 60611.

SHORT ORDERS

ANUGA '83—opportunity for U.S. foodservice industry

Where can you find a wide variety of potential business contacts in every sector of the foodservice industry all under one roof? At the NRA Show, of course. But also in West Germany.

The U.S. foodservice industry will once again have the opportunity to exhibit at the successful West German restaurant trade show, ANUGA, on October 15-20, 1983 in Cologne.

A major event since 1919, ANUGA has become the largest trade show in Europe, representing more than 80 countries worldwide. American industry involvement is being coordinated by Hans Teetz of the German-American Chamber of Commerce. In 1981, 146 exhibit booths were purchased by U.S. foodservice companies and manufacturers in such categories as food products, equipment and technical supplies. "U.S. involvement is very important," said Teetz. "There is a large demand for the variety of interesting products made in this country, and the 144,900 visitors who attend the show insure the exhibitors will receive wide exposure."

Incorporating food, equipment and technical supplies, the 2.2 million square foot Cologne exhibit hall is filled to capacity—containing 4,439 exhibit booths in 14 separate halls.

The show is divided into three sections, each representing a different aspect of the foodservice industry.

The *Consuma* section includes international trade exhibits for foods and non-foods. The *Gastroma* exhibit hall is the international sector for the hotel, restaurant and fast food industry and the foodservice catering market. The *Technica* section is comprised of the international technical sector for the grocery trade, retail grocery and food industry.

For more information, contact Hans Teetz, German-American Chamber of Commerce, 666 Fifth Ave., New York, NY 10103 or call (212) 974-8836.

The Michigan Restaurant Association went all out for Restaurant Hospitality Month by giving Governor William Milliken, legislators and their staffs a "Taste of Michigan."

Reminder: Double check your medicine cabinets to be sure there are no residual Tylenol capsules lurking in the corners. In a recent tragedy, some Tylenol capsules were found to contain cyanide.

WASHINGTON REPORT

Tip reporting

Clarification sought in IRS discussions

Following a meeting with the Internal Revenue Service (IRS) to discuss the new tip reporting requirements in the 1982 Tax Act, NRA has filed written comments with the Internal Revenue Service which make suggestions on implementing the tip provision. The comments also ask for further clarification on a number of questions that have cropped up since the tax bill's passage on Aug. 19.

"We want to keep the lines of communication open and working as smoothly as possible as IRS begins the important task of writing the regulations for the tip provision," NRA Executive Vice President Bob Neville said of NRA's discussions with IRS. "If we can work out a lot of the bugs in the law before the regs are written, then we'll be that much better off when our members have to comply with the law."

IRS has said that it expects to publish preliminary guidelines for the industry before the end of the year. Final rules would be subject to a comment period, so they probably won't be promulgated until sometime in 1983. In the meantime, NRA has asked IRS to make materials available to NRA members that would explain how they can prepare themselves and their employees for the new requirements.

In its comments, NRA formally asked IRS many of the questions NRA members have been asking about the new law. For example, the law states that restaurants—which employ 10 or more employees on a typical business day and where tipping is a customary practice—must comply with the new tip reporting requirements. However, the law does not indicate, among other things, whether part-time employees are to be counted the same as full-time workers, nor does it take into account the seasonal changes that occur in many areas that can result in substantial fluctuations in staff size.

NRA also noted that one restaurant may include more than one foodservice facility, such as a separate dining room and lounge. NRA asked that in these situations an owner be allowed to treat these facilities either separately or as one entity, depending on the employment practices and accounting procedures used in the restaurant.

There have also been many questions regarding the formula that must be used to allocate additional income to tipped employees when total tips reported do not meet the eight percent of gross sales threshold. The law states that employers shall allocate either on the basis of a good faith agreement between the employer and the employees or, in the absence of an agreement, in the manner determined by regulations prescribed by IRS.

NRA suggested that when an agreement is reached between employees and their employer, that agreement should be made a condition of employment is reached between employees and their employer, that agreement should be made a condition of employment. To better administer the tip tracking process, NRA also recommended that the proposed IRS regulations give the restaurant operator the authority to demand an accounting from tipped employees of all tip pooling and tip splitting arrangements.

Reform, Immigration still left for Congress to take up on Nov. 29

Congress will reconvene on Nov. 29 for a special post-election session that is expected to last about three weeks. President Reagan requested that the legislators return to Washington after the elections to complete work on the budget for fiscal year 1983, which Congress left unfinished when it adjourned in early October.

H.R. Res. 599, the continuing appropriations resolution hurried through both houses before adjournment, will expire on Dec. 17. It provides stopgap funding until the regular appropriation measures are enacted. Ten of the 13 regular spending bills remain to be enacted. While some are expected to clear during the special session, another continuing resolution probably will be required to provide funding for traditionally controversial agency budgets such as the Departments of Labor, Health and Human Services and Education.

If it has time, Congress may also clear half a dozen minor tax bills, take up an important disposal plan for nuclear waste that was close to final passage before adjournment and possibly consider a number of other legislative matters left unfinished. Congress may also debate solutions to aid the financially-ailing Social Security system. Because it will be a lame duck session, no new legislative initiatives are expected.

Two bills of major importance to the business community that may come up during the session are the Regulatory Reform Act and the Immigration Reform and Control Act. Both have already passed the Senate, and both were close to floor consideration in the House before adjournment.

Regulatory reform bogs down in House Rules Committee. . .

The Senate passed S. 1080, the comprehensive Regulatory Reform Act on March 24. Similar legislation had been moving steadily through the House; but on the last full day Congress was in session, Oct. 1, it reached an impasse in the Rules Committee when a number of committee and subcommittee chairmen expressed opposition to the measure. The measure wasn't granted a rule, so a long-awaited vote on the bill was not forthcoming.

The Senate-passed measure would put strict limits on the power of most federal agencies, both executive and independent, to issue regulations. A House bill approved by the Judiciary Committee last year embodies the same aims but contains less severe curbs. Both bills would require agencies to analyze costs, benefits and possible alternatives before proposing "major" rules (those where compliance costs consumers and/or businesses in excess of $100 million per year); allow citizens to challenge regulations in court more easily and let Congress overturn proposed rules (the so-called "legislative veto"). The Senate bill would allow Congress to kill a proposed regulation if both the Senate and House approved such a resolution. The House bill would require action by both houses plus the President's signature.

Although the House Judiciary Committee approved the regulatory reform bill last December, the House leadership has since kept the bill bottled up in the Rules Committee. House Speaker Thomas (Tip) O'Neill (D-MA.) has publicly expressed reservations about the bill and has said that he is concerned that the measure not "necessarily burden federal agencies" or lead to "expensive and time-consuming litigation." Yet after negotiations took place among aides in the Speaker's office, Senate staff members of the Judiciary Committee and business lobbyists, a compromise emerged in early September, and it appeared the bill was headed for a House vote.

But when the House Rules Committee began considering a rule for floor debate on Sept. 30, Energy and Commerce Committee Chairman John Dingell (D-MI) and other chairmen claimed that the measure would still hurt the independence of the agencies, delay the issuance of needed rules and give the White House unfair influence over proposed rules. As a result, the matter was dropped until the post-election session.

Immigration measure reported out of Judiciary Committee. . .

Major legislation that provides for broad changes in the U.S. immigration policy—including provisions to curb illegal entry into the country, amnesty for millions of immigrants already within U.S. borders and stiff sanctions against employers who hire illegal aliens—passed the Senate on Aug. 17. Similar legislation was reported out of the House Judiciary Committee on Sept. 22 but failed to make it to the House floor before Congress adjourned to campaign for the November elections.

At this point, the House version of the bill remains relatively close to the Senate bill. However, the provision on employer sanctions in the House bill would give employers a warning the first time they knowingly hire an illegal alien, followed by fines of up to $2,000 for the second and third offense, and criminal sanctions after the third offense. The Senate bill would trigger fines after the first offense.

Under the House and Senate measures, employers would be required to complete a form issued by the Attorney General's office attesting that they have verified that each job applicant is eligible to be employed in the U.S. This would be accomplished by examining documents such as a passport, driver's license or immigration card. After such a form has been completed, it would be retained by the employer for five years and be available for inspection by government officers.

NRA, joined by other business groups, has opposed the immigration measures, arguing that they will increase the paperwork burden on employers and, in effect, shift the burden of enforcing immigration laws from the government to the employer.

Meat imports to be limited

Australia, New Zealand and Canada have agreed to limit meat exports to the U.S. as a result of the 1979 counter-cyclical Meat Import Act which requires automatic imposition of quotas whenever meat imports by the U.S. are estimated to exceed 1.3 billion pounds per year.

To keep the imports below the trigger level, the U.S. has already taken official action to shut off imports from New Zealand. Imports from that country had reached 340 million pounds. When Austrailia—the largest exporter to the U.S.—reaches the previously-agreed-upon figure of 676 million pounds, the U.S. also will shut off imports from that country.

A surge in Australian meat exports is linked to a continued drought in that country which has forced producers to slaughter their herds quickly since their livestock will perish from thirst. Also, long-term storage facilities are rare in Australia.

Canada will limit its exports as part of a reciprocal agreement with the U.S. that American firms limit meat exports to Canada.

Meat imports remain at about seven percent of total U.S. consumption. The foodservice industry purchases a large measure of imported beef because it generally is leaner than domestic beef and can be used to make hamburgers, hot dogs and other processed meat products.

'SBA Answer Desk' is only a phone call away

The Small Business Administration (SBA) has begun a toll-free telephone information service for small business owners who have questions about federal programs or problems with their business. By dialing (800) 368-5855 (not available in Alaska or Hawaii) between the hours of 8:30 a.m. and 6 p.m., Monday through Friday, small business operators can talk to experts from SBA's Office of Advocacy. (Dial 653-7561 in the Washington, D.C. metropolitan area.)

SBA Administrator James Sanders said the service is being started "to primarily help small business men and women deal with the complexities of government. Full-time information specialists will take calls on this toll-free line. If they cannot answer a question directly, they will be ready to refer the caller to the appropriate government office in Washington or around the country."

SBA officials said they anticipate questions about federal contracts and government loans, government paperwork and regulations as well as small business training and counseling available through SBA and other agencies.

Subchapter S laws changed to help small business

Before recessing for the elections, Congress passed and sent to the President a miscellaneous tax bill (H.R. 6055) that overhauls current laws dealing with Subchapter S corporations. H.R. 6055 simplifies the tax rules and eases eligibility for Subchapter S status—a very important development for small business corporations. Part of a bipartisan effort to simplify the tax code, the legislation was originally introduced by the chairmen and ranking minority members of the Senate Finance Committee and the House Ways and Means Committee.

The Subchapter S portion of the code allows small businesses to be taxed more like a partnership than like a corporation. The code allows each individual stockholder in a Subchapter S corporation to report a share of the firm's income and losses directly to the corporation, thus avoiding taxation at both the corporate and shareholder level. Many businessmen and legislators had complained that the current laws are so complex that they resulted in under-utilization of the Subchapter S provision.

In arguing for passage of H.R. 6055, Ways and Means Committee, Chairman Dan Rostenkowski (D-IL) said, "We now have an opportunity to bring to a successful conclusion over a decade of hard work on a major pro-taxpayer simplification project. Enactment of H.R. 6055 will be a major congressional contribution to the small business sector of the economy."

The new legislation allows the number of shareholders in a Subchapter S corporation to increase from 25 to 35, and it raises the limitation on "passive income." Under the bill, the passive income limit would be raised from 20 to 25 percent of gross receipts, with the excess taxed at corporate rates. In addition, Subchapter S status would be lost if a firm exceeded the 25 percent limit for three consecutive years. Passive income is considered investment income from such sources as interest and dividends, rent, royalties or capital gains. The new bill would also allow certain transfers of stock to be made between family members without requiring the corporation to lose its Subchapter S status.

President signs job training bill

Last month President Reagan signed into law the Job Training Partnership Act (S. 2036), a new law that will replace the Comprehensive Employment and Training Act (CETA) program. The President said the new legislation—supported by business groups—will create about one million training opportunities each year "for lasting private sector jobs." At the same time, the President said the legislation is "not another make-work, dead-end, bureaucratic boondoggle."

The Act kills all authority for the controversial public service jobs program that was the main element of CETA. At one point this part of CETA helped fund 725,000 jobs in state and local government agencies and helped boost total federal outlays for job programs to more than $10 billion. In recent years the public service employment program had fallen victim to charges of waste and politics, and, at Reagan's request, its funding was cut to virtually nothing last year.

Although the final level of funding for the program is not yet set, the stopgap continuing appropriations resolution now in effect for the federal government allows about $2.4 billion in fiscal 1983 for the basic job training program, plus $1.9 billion for related programs, such as summer youth jobs, the Job Corps, senior citizen jobs and the work incentive program—the same level as in fiscal 1982.

According to business leaders who helped shape the legislation, the new program will emphasize real training efforts in preparation for non-subsidized, private sector jobs, a change from the income maintenance provisions in the CETA program. The new program earmarks 70 cents of every dollar for training as opposed to the 18 cents-per-dollar used for training in past employment efforts. It also provides a stronger and more significant role for private sector involvement.

President Reagan signs Job Training Partnership Act

Photo by Jack Kightlinger, the White House

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Americans are consuming more wine than ever before. *Wine & The Bottom Line* will help restauranteurs follow this trend to their advantage. It is a simple & comprehensive guide which will help build wine sales through merchandising, variety and selection.

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THE LAW

Sue the critic? Think twice!

*R*estaurateurs occasionally become so upset when their establishment receives a bad or unfair newspaper or magazine review that they call their lawyer wanting to sue the critic. If you should find yourself in this situation, however, keep in mind these considerations before you file the papers.

Your possible cause of action is on grounds of defamation. Defamation is basically an injury to your reputation or that of your business. As a practical matter, this injury has to be measured by lost patronage. In other words, you must be able to prove that customers have stopped coming to your restaurant or, if yours is a new restaurant, that more people would be eating there but for the bad review. This is a difficult test to meet and constitutes the major stumbling block to any legal recovery.

There are other problems, too. Truth is an absolute defense in any defamation action, so if the critic can prove his or her claims—that, for example, the vegetables were indeed soggy, or that the beef was undercooked, or the waiter was slow in serving the meal (and most critics bring companions who can back them up)—then you will have no recourse in court against the critic. The fact that the reviewer visited you on an "off" night will, of course, carry no legal weight.

Criticism is a subjective business, and the real point of a restaurant review is the critic's personal opinion or judgment of his or her dining experience. It is very difficult to attack this type of "evidence" in any effective way in a defamation action.

Remember, too, that any defamation action also serves to broadcast the alleged defamatory statements to a wider audience than would otherwise hear or see them. Your suit against a critic will in itself be news, and many who read or hear about it will be tempted to read the bad review. So you will be spreading bad news about yourself.

All this effort might be worth it if the critic is very influential—and some critics are. But, in general, very few critics have the kind of clout that can make or break your business. Word-of-mouth reviews, whether good or bad, generally carry greater influence.

So, frustrating as it may be for you to merely ignore a negative review, think twice before you try to use the courts to punish your critic.

NOV

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THE BOARD ROOM

President Dankos on the road for the NRA

During the last several months, NRA President John Dankos has been from coast to coast on behalf of the National Restaurant Association.

Most recently, he spoke to a group of hotel, restaurant and travel administration students at the University of Massachusetts at Amherst. "I know that when I speak to you I am speaking to the future of my industry," Dankos began. "For foodservice students, graduation is the beginning, not the end of the road. Foodservice students don't have to worry about losing skills that may never find a place in the real world. They have to worry about selecting the right career opportunity within foodservice."

To explain why the future looks so bright, Dankos remarked: "Ours is an industry of unlimited possibility. The demand for meals away from home is elastic. A Gallup poll, sponsored by NRA, revealed that the public's appetite for meals away from home is far from satisfied. In fact, the survey revealed that if consumers were able to eat out as often as they would like, customer traffic would jump by one-third.

"Long-term demographic trends also favor continued growth for the foodservice industry," Dankos added. "The increasing numbers of working wives, more affluent, two-income households, smaller families and the growth of the 25 to 44-year-old population point toward two things: a greater need for convenience and a greater ability to pay for it."

NRA President John Dankos (right) chats with White House Chef Henry Haller.

Prior to his presentation at the University of Massachusetts, Dankos gave a speech at the MUFSO 82 Conference—the annual meeting of the Multi-unit Service Operators in Washington, DC. He also spoke before the Commercial Food Equipment Association in Scotsdale, Az, visited with the Missouri Restaurant Association and the Maine Restaurant Association, and addressed members of the American Hotel and Motel Association at their annual meeting in Vancouver, Canada.

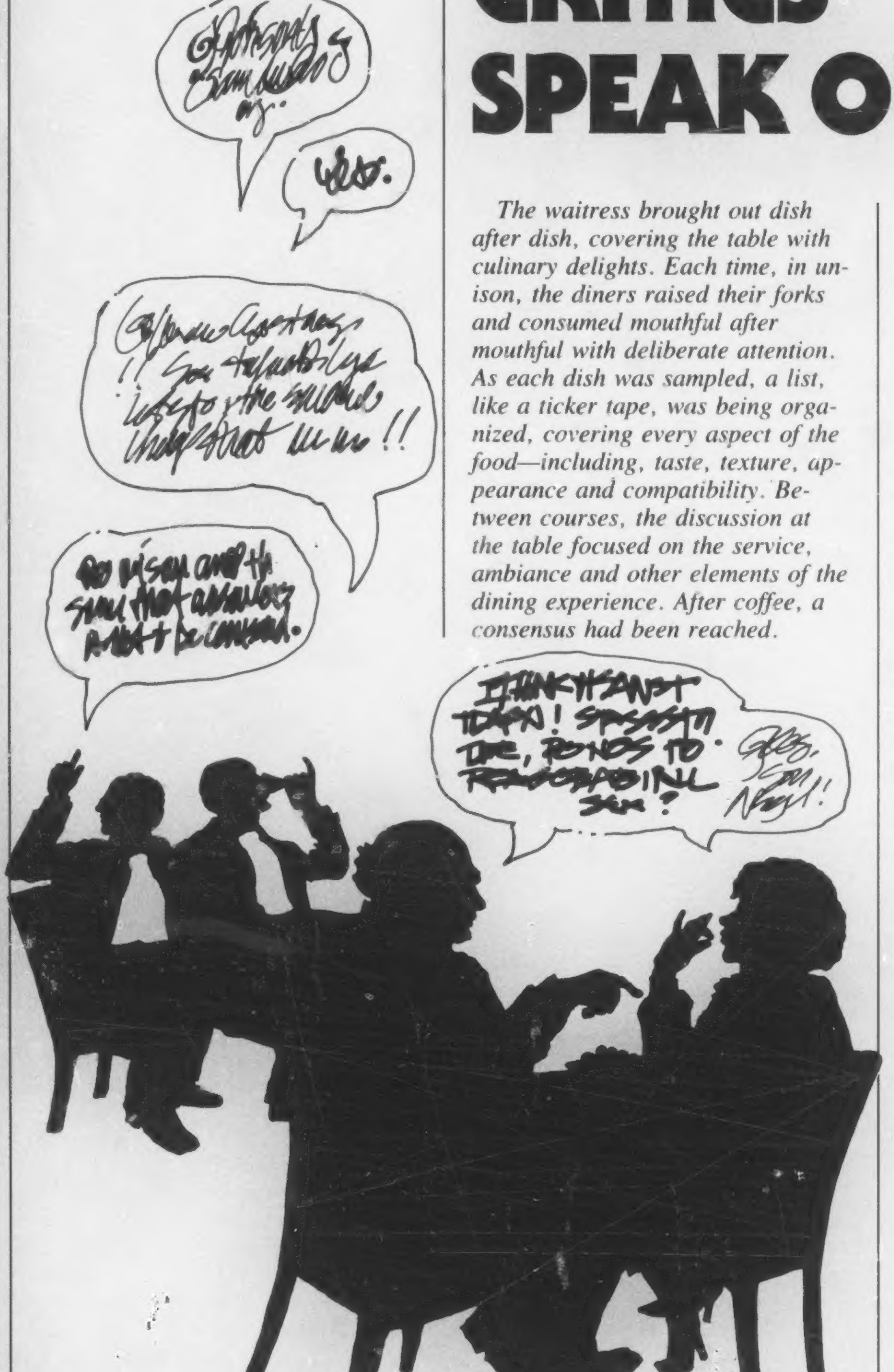
While in Washington, President Dankos had an opportunity to visit the White House kitchens and chat with Chef Henry Haller.

NRA Treasurer Machus named first citizen of his home town

More than 150 business and civic leaders in Birmingham, MI, gave NRA Treasurer Harris O. Machus a standing ovation as he was named his city's "first citizen for 1982." Machus, president of Harris O. Machus Enterprises, was honored for his leadership in helping to build up Birmingham. He was on the city's first planning board.

The award was presented by the Birmingham-Bloomfield Chamber of Commerce and the city's newspaper. It is awarded annually to a person who has made significant volunteer contributions to the community.

RESTAURANT CRITICS SPEAK OUT



The waitress brought out dish after dish, covering the table with culinary delights. Each time, in unison, the diners raised their forks and consumed mouthful after mouthful with deliberate attention. As each dish was sampled, a list, like a ticker tape, was being organized, covering every aspect of the food—including, taste, texture, appearance and compatibility. Between courses, the discussion at the table focused on the service, ambiance and other elements of the dining experience. After coffee, a consensus had been reached.

This scene is recreated around the country each week by restaurant critics who publish accounts of their encounters with area restaurants. Sometimes their reviews are filled with praise, sometimes they are not; but whatever the outcome, restaurant owners often wonder how their restaurants were judged.

To shed some light on what goes into a restaurant review, *NRA NEWS* contacted restaurant critics around the country to find out about their backgrounds and what they look for when they evaluate a restaurant. Although no standard formula emerged from these interviews, what became clear is that many critics do have standards they try to apply to be fair to both the restaurateur and the public.

I. Atlanta . . . Schumacker critiques after one visit

Harold Schumacker of the *Atlanta Journal and Constitution* has been writing a weekly restaurant review column for eight years. His style of critiquing is to write his review on the basis of one visit. "My column is for the consumer," he says, "and I don't think a consumer would be willing to give a restaurant two or three chances. If a patron spends $15 to $20 per person on a first visit to a restaurant and is not satisfied with the food or service, chances are he won't go back. I approach my column with that thought in mind."

If Schumacker has given a bad review to a restaurant and he later gets reports that the restaurant is good, he will sometimes do a follow-up. "I'll go back and try it again—but I'm not wrong very often," he says.

When reviewing a restaurant, Schumacker's main concern is the quality of the food. He looks for such things as taste, appearance and freshness—always sampling the specialty of the house. After that, he rates the service and surroundings. "The atmosphere must be appropriate to the restaurant," he maintains. "Certain things are expected of different types of restaurants. I don't go to a French restaurant to feel like I'm in a diner."

Schumacker has some experience in the restaurant industry, but more important, he says, is the exposure he has gotten from eating in many different restaurants in the U.S. and abroad. "I have developed a good sense of what is available and the best way to prepare it," he explains. "I am consistent in my personal tastes. If people have been reading my column for a number of years, they will know what I like and what I don't like."

Schumacker does not believe that his column can make or break any restaurant in Atlanta because, he says, "each individual must make up his or her own mind."

II. Boston . . . Spinazolla finds clue in the soup

"I read cookbooks like most people read novels," says Anthony Spinazolla of the *Boston Globe*. In his 14 years as a restaurant critic, he has the experience of 700 reviews under his belt. Spinazolla visits each restaurant at least three times before he will publish his critique. He has worked in restaurants as a waiter, bartender and cook, and he also spent five years in a meat market learning to evaluate the different cuts of meat. "I do everything I can to increase my knowledge of restaurants," he maintains.

Spinazolla evaluates restaurants on the basis of the bottom line—the quality of the meal. However, he says, the real clue is in the soup. "I always order soup to detect whether a homemade base is used or not. This tells me a lot about the kitchen—whether it pays attention to detail, whether it attempts to be creative.

"I'm not a vicious reviewer," he concludes. "I can usually find some saving graces in any restaurant."

III. Chicago . . . Lux only reviews restaurants that ask for it

"It is not our job to be chemists," says John Lux of the *Chicago Tribune*. "We judge a restaurant by the goals and standards it sets for itself."

The *Chicago Tribune* uses a method different from most newspapers to select the restaurants it reviews. According to Lux, the newspaper will only review restaurants that ask for it. This applies in three cases: (1) The restaurant literally asks to be reviewed, (2) The restaurant advertises heavily, claiming a great dish as its specialty, and (3) The restaurant is well-known in the Chicago area. "Arbitrary reviewing," says Lux, "can hurt business."

"Our reviewers visit a restaurant two times before a critique is published," he adds. "Specialty items and the freshness of ingredients are important considerations," says Lux, "but the noise level of a restaurant has often ruined a very pleasant dinner."

IV. Dallas . . . Bauer focuses on food preparation

Michael Bauer of the *Dallas Times-Herald* has been a restaurant critic for six months. He does have experience in the food industry, however, having worked in his family's food business for eight years. Prior to his position at the *Times-Herald*, he was the food editor at the *Kansas City Star*.

Bauer reviews a new restaurant every week and updates an older review every other week. He usually eats out in a party of four people, who all order full dinners. This, he says, allows him to sample a number of items on the menu. "I want to be as fair as possible," he says, and this includes returning to a restaurant if the food has been bad.

The most important consideration for Bauer is the quality of food preparation, and he tries to look beyond his personal tastes when he evaluates a dish. He elaborates: "I went to a restaurant and ordered pheasant mousse with blueberry sauce. I don't like pheasant, but the dish was exquisitely prepared. The combination of blueberries with the meat was great, and that's what I reported. A good critic will be able to judge good and bad food preparation without regard to his own preferences," he says.

Bauer adds that he doubts that as a critic he has the power to make or break a restaurant. "I don't think people will stop going to a restaurant or not try a restaurant on the basis of my review. They will rely on the judgment of others—particularly on the judgment of their friends and co-workers."

V. Detroit . . . Abraham looks for value

When I go into a restaurant, I'm very conscious of how I would feel if I were spending my own money," says Molly Abraham of the *Detroit Free Press*. "I put myself in the position of the person going out to dinner. I ask myself 'is this restaurant a good value?'"

Like Spinazolla of Boston, Abraham looks for quality and places great stock in a restaurant's soup. "It's a great indicator of the talents of the kitchen," she explains. Abraham also considers the overall impression of the restaurant—how comfortable she feels and the kind of mood the restaurant creates."

VI. Louisville . . . Neuhauser gives restaurants the benefit of the doubt

"I've been to every restaurant in Louisville at least 10 times," says Ken Neuhauser of the *Louisville Courier-Journal*. "My review is based on those past experiences plus the two or three extra times I will visit a restaurant before I write the column."

Neuhauser has studied French and Italian cuisine and has been reviewing restaurants for five years. But he is quick to add that he is not a snob. "I don't analyze the Bernaise sauce to the nth degree," he explains. "My column is a people's column. It is geared to cover a wide range of restaurants from coffee houses to fish fry eateries to elegant continental establishments."

Neuhauser claims he always gives the restaurant the benefit of the doubt. If a restaurant has had a poor track record, he will visit that restaurant several times before publishing a review. "I don't like to write a bad review—although sometimes it's unavoidable," he says.

For new restaurants, Neuhauser waits three months before writing a review. "I want to give the restaurant time to iron out any problems it might have in getting started. That's only fair," he maintains.

Neuhauser visits all restaurants with his wife, making reservations under a fictitious name, and he pays the bill in cash. He orders a full dinner—everything from appetizers to desserts. "I try to sample as much of the menu as possible. Sometimes I'll order a dish that is out of the ordinary—something that my readers might enjoy trying," he says. "Or I'll challenge the restaurant and order whatever is claimed to be their specialty. I'll say, "Let's see how special your specialty is' and then discover if in fact it does live up to its claim."

Neuhauser acknowledges that other items besides food are important in his evaluation of a restaurant. "I look for cleanliness and professional service. Pretentiousness bothers me. I want to feel comfortable when I dine out. I evaluate each establishment according to the type of restaurant it is," he says.

"However," adds Neuhauser, "sometimes my reviews are not appreciated." It seems one disgruntled restaurant owner found out where he lived, spray-painted his house and slashed the tires on his car. "I guess that's part of the job," he shrugs.

VII. Philadelphia . . . Tait takes 'everything' into consideration

Veteran critic Elaine Tait has been writing her weekly restaurant reviews at the *Philadelphia Inquirer* for 20 years. Trained as a home economist, she has been cooking since she was 14 years old and once worked as a waitress. In addition to her weekly column, Tait also writes special features on foodservice issues which involve all aspects of the industry.

"I visit the restaurant as many times as I think is necessary," she states. "Sometimes I go twice, sometimes more. I will only do a follow up if the restaurant has changed dramatically, as in the case of new owners or a name change."

"What I order depends on the type of restaurant," she adds, "but I'll always order the house specialty and evaluate it on freshness, quality and the artistry of the chef."

Tait says she takes "everything" into consideration when reviewing a restaurant. This includes the attitude of the servers, the lighting, the language of the menu and the price of each item. "I don't recommend restaurants," she maintains. "I just report what I find."

Tait does not believe that her reviews have a lasting effect on a restaurant. "A glowing review will bring a rush of traffic, but after that it's up to the restaurant to keep those customers coming back." And what about a bad review? "It will scare some people away at first," she admits, "but if the restaurant is good, it can bounce back."

VIII. Tulsa . . . Holloway does not publish unflattering reviews

At the *Tulsa World*, Suzanne Holloway writes a weekly restaurant review based on her experience as a family cook. "I have prepared all kinds of recipes," she explains, "so I know if a dish is cooked properly." Visiting each restaurant more than once before writing a review, Holloway also judges the atmosphere and the service. "All these items blend to form the complete dining experience," she maintains. But she is quick to acknowledge that her tastes may not be universal. "A reviewer must separate her personal preferences when dining out," she explains, "and sometimes that's hard to do. I evaluate dishes according to whether they are prepared correctly, not if I like the taste of that particular dish."

Although Holloway evaluates restaurants in much the same way as do other reviewers, her critique policy stands apart from the rest. She never publishes unflattering restaurant reviews. "If I can't find anything good to say about a restaurant," she says, "I simply will not write the review."

IX. Washington, DC . . . Richman begins her review the moment she enters the restaurant

As the restaurant critic of the *Washington Post*, Phyllis Richman gets plenty of exposure. She is well respected, widely read and many people rely on her judgment. Richman admits that her column has influence, but quickly adds, "I only bring people in the doors once. After that the restaurant stands on its own."

Richman has always enjoyed cooking. As a child she collected recipes. Later she attended cooking classes and spent some time working as a caterer. Richman feels her experience allows her to evaluate restaurants with more perspective than the average diner. And she has more opportunities to compare restaurants. "I spent one night sampling the same item at three different French restaurants," she explains. "Not only did I observe the various preparation methods, but I also was able to be more accurate in my reporting."

Richman begins her review the moment she enters the restaurant. "The greeting is very important," she says. "It can set the tone for the entire meal."

The crucial factor, however, is the food. "I order both simple and complex items, and then I decide if the food lives up to the expectations of the menu description," she says.

Richman eats out every night. Although she has not calculated how much money the *Post* spends each year to cover her tabs, she does acknowledge that "it's a fortune."

Viewpoint

On the matter of qualifications, pet peeves and restaurant reviews

By Carleton Jones
Restaurant critic, *The Baltimore Sun*

If there is one question that a food critic is invariably asked it is, "What is your favorite restaurant?"—a query usually impossible to answer since in any sizeable locale a critic will have a number of star selections, each one performing superlatively in a different way.

It's the second most popular question, however, that seems to really bother most critics, many restaurateurs and a good many readers of reviews. That question is, "What are your qualifications?"

It all began in the attic. . .

In the case of this critic, they are resolutely non-academic. I do not sport a *riband* from any foreign or domestic culinary school and I am very far from a professional cook. My food writing career, in fact, began completely unconsciously during my last year in college when I lived in an attic apartment in the home of Jessie Alice Kline, the noted Missouri restaurateur and NRA board member. Miss Kline had assembled a mountain of cookbooks sent her by admirers, friends, authors and culinary and dietary publishers. I read my way through this giant hoard of books, stashed away on my attic floor, acquiring a by-rote knowledge of cooking that has stuck with me.

In the interim, I married a French woman who grew up in pre-war Paris in the great days of Prunier and Fouquet and who can offer elbow guidance on that culture. I also have spent 40 years eating my way around the Baltimore-Washington area, with side trips to New York, Chicago and the West Coast.

So much for credentials. Now to the more serious business of quirks.

I think many restaurant people should realize that newspaper editors don't want a culinary giant or a professional dilettante, engaged in a contest with chefs. They want a readable journalist who reacts the way other intelligent laymen are going to react. But all critics have their biases, and I think it is helpful for restaurant managers and owners to get to know the quirks of their local critics. I have tried to make mine known through more than 100 articles and reviews.

Main pet peeves. . .

My pet peeves are things I suspect also annoy other critics. I am put off by (1) cluttered, over-elaborate menus, (2) the spreading custom of introducing chef specials at tableside through a rambling waiter's spiel, (3) the 300 to 400 percent markup on wines and (4) the great iceberg lettuce fungus from outer space—something that ruins half the salads in places I visit.

Armed with these prejudices, I stalk in anonymously. Reservations are made under assumed names and I do not make waves, since I feel I must act as the average American acts—and he doesn't usually make waves.

Only occasionally do I have to really lower the boom on hopeless performance. After one such siege, an owner called me and said, "If I go down, you'll go down with me, and all your family, too."

Some critics of this critic think I dwell too much on a place's mood, decor and clientele, but I think that these are the very things that experienced diners go after. I also pay attention, of course, to the service and food. One waitress completely forgot my first course order of Maryland snapper turtle soup. I did not correct her during the meal and here is what I afterwards wrote:

"When the check came I pointed out that the snapper soup had eluded both me and the waitress. Then, for the merriment of both of us, the waitress said casually and without apology, 'I forgot to bring it, didn't I'—preceding this announcement with one of the most expressive four-letter expletives in the Anglo-Saxon tongue."

Reviewing is fun. . .

Reviewing is fun . . . genuine fun, the way I suspect restaurateuring is fun, and it occasionally can produce a humorous gem that renews your faith in man. I recall hearing from one hearty, enthusiastic matron who had called in to bubble over about an inn she had sampled, which had a knowing touch with beef and grilled filets:

"You simply have to get out to Chez So-and-So!" she exclaimed. "Their tornadoes are wonderful!"

(I tried the place's tournedos and was swept off my feet.)

RESTAURANT CRITIC:

FRIEND OR FOE?

Are restaurant critics friends or foes of the restaurant industry? Most restaurateurs are resigned to the fact that restaurant critics are here to stay and feel that most critics are fair, reliable and competent. But some restaurateurs have some sad stories and less than flattering remarks about critics who hurt their business because they didn't possess the necessary food savvy, they didn't take the time to do their job completely and they misrepresented the restaurant—sometimes deliberately.

I. The bad news

Few restaurateurs will deny that critics wield power, and those that have received poor reviews are the first to admit that a review can help or hurt a business. When *NRA NEWS* asked restaurant owners how a poor review affected their business, most agreed that it stirred things up in the restaurant and often contributed to a decline in customer traffic.

Immediate drop in business. . .

Bill Suflas, owner of the Grand Coach Restaurant in Maple Shade, NJ, believes the negative review of his restaurant contributed to an immediate 25 percent drop in business and that it took several years for the restaurant to recover—just to reach the level of business it had before the review.

Don Kramer, owner of Tony Ramos in West Bloomfield, MI, was only open 10 days when his restaurant was slapped with a bad review. "It was an incredible article," remembers Kramer. "The critic didn't say one thing good about the place. She even attacked the smell of the smoke in the restaurant. And to top things off she recommended a competitor. People stayed away until we were able to counteract the review with an advertisement. We recovered quickly because our food is good and we're a good restaurant." But this experience has left a lingering suspicion of critics. Kramer adds, "A critic reaches mil-

> "A critic reaches millions of people. Restaurateurs can't fight back on equal terms because ads cost a lot of money."
>
> —*Ron Kramer*

lions of people. Restaurateurs can't fight back on equal terms because ads cost a lot of money."

Brent Cristi, food and beverage director of Faust's Sea Catch in the Hyatt Regency in Dallas, TX, also believes a bad review his restaurant received reduced business substantially—by 50 percent—and it took Faust's 18 months to recover. Unlike Suflas and Kramer, however, Cristi feels that the review was fair—the restaurant was getting tired. "Faust's Sea Catch underwent a very massive change after the review. We then invited all of the food critics to come again to review us. This time we got a good review."

In contrast to most of his peers, Franco Faggi, assistant manager of The Monte Carlo Living Room in Philadelphia, PA, believes his restaurant's negative review helped business. "It brought the three-month–old restaurant to the public's attention," claims Faggi.

The $100 meal was a $5 lunch. . .

Although most restaurateurs are prepared for an occasional bad review because everyone has an "off" day, few are prepared for deliberate misrepresentation or harassment. And, unfortunately, some restaurateurs have been exposed to less than fair treatment.

One example is the Rheinlander Restaurant in Portland, OR. When the restaurant was newly opened, it was critiqued as being very expensive. The critic's lunch did come to more than $100, explains owner Horst Mager, but the tab was $5 for lunch and $95 for wine, including a bottle of Dom Perignon champagne. Mager sued the critic and won, but the review still hurt his business because many people thought they couldn't afford to eat at the restaurant, Mager said.

Sal Hochman, owner of The Caves in Ft. Lauderdale, FL, is another restaurateur who sued the restaurant critic who panned his restaurant. He won a judgment of $23,000. Although Hochman didn't see any of the money and the suit cost him $9,000, he says, "It was worth it to me to put the critic out of business." The review of his restaurant appeared in a free biweekly called "*Good Times*." When the owner-critic-salesman of the publication asked Hochman to advertise and Hochman refused, the magazine panned his restaurant. At first Hochman ignored the review. But when he found out that a capsule version of the story was appearing every two weeks for seven months, he wrote a letter to the critic requesting that he stop harassing him. The reviewer refused and Hochman hired a lawyer. Although the original article did not hurt his business, the suit drew attention to the story and, both the *Ft. Lauderdale News* and the *Miami Herald* covered the story and reprinted the *Good Times* review verbatim on the front page. "That hurt business for a short while," said Hochman.

Critics often need more savvy. . .

One recurring complaint of restaurateurs who received bad reviews was that critics are just not as knowledgeable as they should be. Louis Szathmary, chef/owner of The Bakery in Chicago, IL, remarks, "Often their knowledge of food is extremely limited, to put it politely. They use terms without knowing what they mean. They call a clear tomato soup a bisque because they've never bothered to look up the word bisque. Or they don't know that linzer tortes, just like fruitcakes, should be aged before serving.

"Some critics are not able to recognize the cuts of meat they are eating; and some don't know the difference between sauteing, poaching, braising, frying, deep frying, creaming and so forth," he adds.

Suflas of the Grand Coach Restaurant says the reviewer of his restaurant could not correctly identify fresh ingredients. Suflas says the review reported that he uses store-bought pasta when he buys hand-made pasta and that he uses canned mushrooms, when all the mushrooms he uses are fresh.

Mager of the Rheinlander Restaurant believes that some critics cannot put aside their personal preferences. "If I put raspberry vinegar into liver, and the critic doesn't like raspberry vinegar with liver that is his perogative; but he has no right to say the restaurant serves bad liver," Mager explained.

One solution, suggests Faggi of the Monte Carlo Living Room is to train critics. This would cause restaurateurs to take notice. "If someone more knowledgeable about food—like a retired chef, for example, were to criticize our restaurant, then I would take my hat off and say, 'thank you very much'; but I can't pay much attention to negative remarks from someone I don't feel is competent to make them."

Nearly all restaurateurs believe that when comparisons are made, a critic should compare restaurants of similar size with comparable goals and menus. "You cannot compare a restaurant that serves a $3.50 quiche with one that serves a $50 dinner," says Horst Mager.

Critics should be constructive. . .

"I don't think reviewers should try to hurt people who are trying to help the community," observes Albert Taxin, president of Old Original Bookbinders in Philadelphia, PA. Their reviews should make constructive suggestions. If critics are dissatisfied with a meal, they should come up to a restaurateur and say, "Hey, Al, your place is slipping," Taxin adds.

Too often critics use canned phraseology, complains Bill Suflas. One reviewer said, "Without a can opener, the chef couldn't cook. This remark was just not true. The critic talked about canned chocolate syrup to back up her statement. I don't know how many restaurateurs go around melting down chocolate for an occasional ice cream order that calls for a chocolate topping in a restaurant that seats 200 people. I feel I buy the best chocolate produced—even if it does come in a can."

> "The public should have the right to decide whether a restaurant should be out of business."
>
> —*John Fleming*

Chef Louis Szathmary also felt that some reviewers of his restaurant ignored the chance to make suggestions, a practice that he meticulously followed in his 20-year stint as a reviewer. "Often they are incompetent to make them," he observes. "Some critics are fabulous, of course, but some are incompetent and they can wipe a new unestablished restaurant right out of business. We need to educate a generation of restaurant critics who have more knowledge about food and food preparation."

ADVICE TO THE CRITICS: Compare apples with apples

Most restaurateurs have very definite ideas about how a critic should judge a restaurant. The first item was mentioned by all restaurateurs interviewed by *NRA NEWS*.

1. **"Critics must compare apples to apples.** It is not fair to compare a restaurant like mine that can seat 1000 people to one that can seat 42. Of course there are going to be differences—they are completely different type of places," says Albert Taxin of Old Original Bookbinders, Philadelphia, PA.

2. **Critics should look at what the restaurateur is trying to achieve and judge him accordingly.** "Mine is a thematic restaurant. If the critic doesn't like the theme of a restaurant before he walks in the door, he has no business walking in the door," says Sal Hochman of The Caves, Ft. Lauderdale, FL.

3. **A food critic's review must do more than reflect personal taste.** "If I put raspberry vinegar into liver and the critic doesn't like raspberry vinegar with liver that is his perogative, but he has no right to say the restaurant serves bad liver," says Horst Mager, Rheinlander Restaurant, Portland, OR.

4. **Critics should become as knowledgeable about food as possible.** "They should be able to recognize the cuts of meats they are eating and know the difference between sauteing, poaching, braising, frying, deep frying, creaming and so forth," maintains Louis Szathmary of The Bakery, Chicago, IL.

5. **Critics should visit the restaurant at least three times.** Any restaurant can have a bad day or serve a bad meal, that doesn't mean that the restaurant is bad. "Restaurants are run by people, not robots and an allowance has to be made for the human element of error." says Horst Mager, Rheinlander Restaurant, Portland, OR.

6. **Critics should not pan a restaurant just for the story of it.** "A bad review can be amusing, interesting and funny—a good review is too often boring. Critics should take up the challenge of writing a good review that is interesting and amusing and making it a literary project rather than taking the easy way out and slashing a restaurant," says Bill Suflas, Grand Coach Restaurant, Maple Shade, NJ.

II. The good news

Surprisingly, when *NRA NEWS* talked to the restaurateurs who received good reviews, the feelings about critics were not so different from those who received bad reviews.

Some restaurants didn't want to talk at all for fear of "rocking the boat," others would only answer certain questions. One common fear was that even with a history of good reviews, a bad review could be just around the corner.

Eugene Sage of Sage's in Chicago, IL, never had a bad review, but he says he objects to the fact that restaurants are singled out to be criticized. "When the dry cleaners don't get the proper crease in my trousers, they are not publicly criticized for giving a bad press job," Sage explains. "My objections to restaurant critics is that even when they give a good review they always have to have at least one zinger. I could live without critics, but they are here and a qualified reviewer is a help and an aid to the industry. We all like a good review. I guess it's a trade-off."

Paul Roller, owner of Rollers in Philadelphia, PA, was also delighted with his review, which he believes "very succinctly gave a feeling of the entire place" and brought people from other areas of the city into his restaurant. But he, too, has reservations. "I suppose restaurant critics do perform a public service. However, I question the validity of a review that is so bad it puts people out of business. This is my brand new baby. A bad review could have wiped me out."

Roller's sentiments were echoed by John Fleming, owner of four-month-old Metro Restaurant in Chicago, IL, whose establishment was reviewed in glowing terms. According to Fleming, unless the restaurant is conducting its business deviously—such as flagrant violations of truth in advertising practices—the critics should not be out to close down a restaurant. "The public should have the right to decide that a restaurant should be out of business," he maintains.

Benefits of a good review. . .

Are the ramifications of a good review as powerful as those of a negative one? Many restaurateurs say yes and perpetuate its good effects by framing good reviews and hanging them in the lobby of their establishments.

Some restaurateurs have reached overnight stardom on the basis of a good review; and, according to one report, the might of some critics is so great that a good review can help secure a bank loan. "When a review is positive, those are words you couldn't buy," says Jean Claude, owner of Le Glacier in Coral Gables, FL. His establishment received such a good review that business increased overnight from 50 patrons to 300. The restaurant was forced to close down for one night to readjust to the new traffic flow, but the next day the restaurant was able to handle the crowds.

Chalermporn Chittasingh, owner of the Bangkok Gourmet in Crystal City, VA, is another restaurateur who is very pleased with the results of her restaurant's review. Business increased by 60 percent—two more tables had to be added to her small restaurant. "Now more people know about my restaurant," she beams.

In summary, when they are good they are very good but when they are bad. . .

The general consensus among restaurateurs is that when reviews are good, it's great; but when they are bad, it can be devastating.

Many restaurateurs are frightened of critics. According to Bill Suflas, of the Grand Coach Restaurant, critics have an audience of thousands of people they can reach over and over again. Advertisements to counteract bad press are very expensive; and once something is read, the damage is done.

> "When a review is positive, those are words you couldn't buy."
>
> —*Jean Claude*

Other restaurateurs say they are concerned because in bad economic times like these no restaurateur needs a critic to help destroy his business. "If the restaurant is really bad, the public will find out very soon by personal experience and word of mouth," says John Fleming of Metro Restaurant.

"Although many critics do perform a worthwhile service, some possess the very dangerous thing of a little knowledge. This puts you at their mercy because newspapers have so much more power than the individual restaurateur," says Ron Kramer of Tony Ramos. "Too many newspapers make their critics into gods," adds Chef Louis Szathmary of The Bakery in Chicago, IL.

NRA honors food editors in 1st awards competition

Culinary how-tos, American regional cooking and a new low-calorie menu were some of the topics of winning articles in NRA's first annual Newspaper Food Editors Awards Competition.

NRA established this award to acknowledge outstanding use of restaurateurs as a source and resource in weekly food sections of daily newspapers. Entries were judged both for the usefulness of the content and the clarity of the presentation.

"We believe that restaurant operators and chefs across this country have special knowledge about food preparation, and—as one of the winners pointed out in her articles—many are willing to share their professional expertise with the public," said an NRA spokesman when he presented the awards at the 1982 Newspaper Food Editors' Conference in Pittsburgh, PA.

Awards were conferred in two categories: (1) for articles published in newspapers with circulations under 250,000 and (2) for articles in newspapers with circulation of more than 250,000.

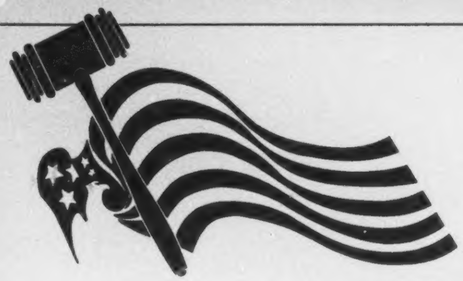
The first place winner in category (1) was Elizabeth Meegan of the *Daily Dispatch* in Moline, IL, for her article, "Dieters find lite menu." The story describes how a restaurateur created a complete low-calorie menu in his Italian restaurants, featuring calorie-conscious selections for every course.

Second place winner Deborah Hartz of the *Daily Herald* in Arlington Heights, IL, received the award for her article, "French chef cooks at home." Dorothy Chapman of the *Orlando Sentinel* received third place for her article, "Gourmet meals in under 10 minutes."

The first place winner in category (2)—newspapers with circulations of more than 250,000—was Ann Valentine of the *Houston Post* for her five-part series on trade secrets, tips and secrets from five culinary pros.

Winning second place was Ann Criswell of the *Houston Chronicle* for her story on "New American cooking." The third place award went to Marilyn McDevitt Rubin of the *Pittsburgh Press* for her article, "No secrets: Competing chefs get together and swap insights, not insults."

Judging the nearly 50 entries were Michael Grisanti, NRA board member and owner of Casa Grisanti, Inc., in Louisville, KY; Bill Rice, editor of *Food and Wine*, and Jane Wallace, editor of *Restaurants and Institutions*.



FACTS

you should know about employee meals and meal credits

Because the foodservice operator is faced with a maze of laws and regulations that affect the day-to-day operation of his business, NRA's legal counsel Clyde L. Griffith has compiled The Legal Problem Solver. *This highly regarded reference manual, soon to be published in a revised edition, provides general legal information in key foodservice areas that range from the federal minimum wage law to how to pay managers. From time to time* NRA NEWS *will publish excerpts from this manual to highlight one or another area of foodservice law.* The first of these articles—a preview from the revised edition—concerns employee meal credits.*

As an employer, your right to the meal credit is authorized by the following language in Section 3(m) of the federal minimum wage law:

> *"Wages paid to any individual includes the reasonable cost, as determined by the Secretary of Labor, to the employer of furnishing such employee with board, lodging, or other facilities."*

What this means is that if you furnish meals or lodging to your employees, you can reduce the cash wages you pay them in an amount equal to the reasonable cost of this facility as determined by the Secretary of Labor's office. This reduction in wages is in addition to the amounts of tips credited. For example: If you furnish a meal valued at 80¢ reasonable cost, you may deduct the cost of that meal at the rate of 10¢ per hour for an eight-hour day. Assuming the employee is already taking the maximum allowable tip credit, his hourly cash wage obligation would break down as follows: $1.34 in tip credit, 10¢ in meal credit and $1.91 in cash wages, for a total of $3.35 per hour.

What is "reasonable cost?". . .

One problem encountered with handling the meal credit is the calculating of a reasonable cost for that meal. Existing Labor Department regulations provide that such factors as overhead, depreciation and other similar costs may be considered when computing meal costs; however, those same regulations prohibit the inclusion of any profit. A later Department of Labor "policy" pronouncement narrows this computation even further by permitting only direct costs to be included—that

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***Editor's Note:** *These articles are not intended to be a substitute for specific legal counsel. For a copy of the revised manual—which will be available January 1983—contact NRA's Educational Materials Center, 311 First St. N.W., Washington, DC 20001. The manual sells for $14.50 plus a 10 percent shipping and handling charge. Please specify order number MG 410.*

is, the cost of the food and its preparation.

Keep in mind that state laws may limit the amount of the meal credit to be taken. If state law limits are lower than the federal limits, they must be followed.

DOL restricts use of meal credit. . .

In spite of the unequivocal language in the minimum wage statute authorizing the meal credit, the Department of Labor (DOL) has, by regulation, placed restrictions on the use of this credit. Because Labor Department compliance officers follow these restrictions closely, be sure to examine your meal credit policy.

Let's look first at the Department of Labor's restrictive regulation (20 CFR 531.30). It states that:

"The reasonable cost of board, lodging or other facilities may be considered as part of the wage paid an employee only where customarily furnished to the employee. Not only must the employee receive the benefits of the facility for which he is charged, but it is also essential that his acceptance of the facility be voluntary and uncoerced."

DOL first began to seriously enforce the requirements of its restrictive regulation after a federal court in Miami, FL, quoted the regulation verbatim and stated that the regulation must be complied with if an operator was to have a legal meal credit system (*Marshall* v. *The New Floridian Hotel*, Civil Case 77-1028, August 27, 1979). After that case DOL adopted four tests that must be met before a meal credit can be taken:

1. The employee's acceptance of the meal credit system must be voluntary and uncoerced.
2. The employer must inform the employee of the amount to be taken as a meal credit and that amount must be acceptable to the employee.
3. Acceptance of the meal credit cannot be made a condition of employment either at time of employment or at any time during employment. The employee from time to time must be given the opportunity to option in or option out of the system.
4. The employer must retain records of all meals eaten by each employee—including who ate the meal and its actual value.

Two subsequent federal court cases examined the requirements set out in 29 Code of Federal Regulation 531.30. One of these cases, *Davis Brothers, Inc.* v. *Marshall*, 522 F. Supp. 628 (1981) agreed with The New Floridian case completely. The second case, *Morrison, Inc.* v. *Marshall*, 25 WH 122 (1981) gave a qualified approval to the New Floridian position. Both cases have appeals pending.

DOL clarifies enforcement position. . .

On February 24, 1982, in an opinion letter to the National Restaurant Association, DOL attempted to clarify its enforcement position on meal credits. Pertinent portions of that letter are quoted verbatim:

"In order to assure that acceptance of the meal credit is truly voluntary on the part of employees, all employees for whom a meal credit is available must be given the option to have meals count towards their wages or not, as each one freely chooses. (For this reason, acceptance of a meal credit cannot be made a condition of employment.)

"Some of those employees who opt for the meal credit may decide at a later time that they no longer want to be part of such an arrangement. Where this occurs, they must be able to opt out of the meal plan and to receive the full minimum wage in cash.

"An employer may establish a regular period of time for which an employee may 'opt in' or 'opt out' of participation in a meal credit plan. Such a period could be of up to three months' duration. The effective date of an employee's election to 'opt in' or 'opt out' of participation in a meal credit plan could be the first day of each established period. For example, were an employer to use a calendar quarter to determine the 'opt in' or 'opt out' period, he or she could announce that during a certain period of time the employee must specify his or her decision for the next quarter. However, it would not be necessary for employees currently in or out of a meal credit plan to reaffirm their intention to maintain their status with respect to the plan during each such period.

"Your letter also raises questions as to what records an employer must keep and whether the employer must inform its employees of the amount of the meal credit to be claimed. The FLSA recordkeeping regulations require that employers keep a record of:

'Total additions to or deductions from wages paid each pay period. Every employer making additions to or deductions from wages shall also maintain, in individual employee accounts, a record of the dates, amounts, and nature of the items which make up the total additions and deductions [29 CFR 516.2 (a) (10)].'

"The actual records that must be kept to comply with this requirement depend on the particular meal credit plan.

"One common type of meal plan is to deduct from the cash wage a small amount on an hourly basis. Thus, those employees who have opted into the meal credit plan may have 25 cents deducted from their wages for each hour of an eight-hour shift (for a total of a $2 credit). Suppose the 'reasonable cost' to the employer of the food provided to these employees is 50 percent of the menu price. As long as the employees order $4 worth of items off the menu, the 25-cent hourly credit is proper, since the reasonable cost to the employer of the $4 amount is 50 percent, or $2. If each employee is clearly informed that he or she can order $4 worth of items off the menu, then it would suffice for recordkeeping purposes simply to record that a $2 daily meal credit is counted towards each such employee's wages."

A Final Caution: Some state laws say you can take a meal credit only if the meal is actually consumed. In those states, a cash register receipt or similar documentation is necessary to prove that the meals have actually been consumed and to substantiate the value of each meal.

IS IT TIME TO RECONSIDER YOUR NO·CHECK·CASHING POLICY?

5th of a Series

With a low national average of bounced checks, check verification aids, sensible identification checks and new laws to help curb bad checks, checks seem to be a very viable way to transact restaurant meals. Perhaps now is the time for restaurateurs to open a whole new avenue of service to their customers by reconsidering their no-check-cashing policy.

Imagine this scenario. You and your spouse and two of your guests have gone out to dinner. After the delicious dessert, you offer to pick up the tab. Without a moment's hesitation, you give the waiter your credit card. You're taken completely by surprise when he returns it, explaining the restaurant doesn't honor credit cards. Since you don't have enough cash to pay the bill, what happens now? Will there be an embarrassing scene? No, the manager simply asks for a check.

Although many restaurants still have a no-check-cashing policy, some are reconsidering. One of the major reasons that restaurateurs are accepting checks is the high commission charges of credit cards. Other reasons include wanting to be of service to customers,

looking for ways to build a mailing list for promotions and encouraging impulse purchases like wine or dessert when customers don't have sufficient cash.

Moreover, the risks of accepting checks are not as high as many people think. According to figures from the Atlanta Federal Reserve Bank, 36.4 billion checks were written in the U.S. last year, and only 3/4 of one percent were not collectible. Although this equals $273 million nationwide, figures at individual establishments are not so high.

At the Chappaqua Fish House in New York, for example, where 25 percent of the business—or between 500 to 600 bills a year—are paid by check, only two or three checks a year bounce.

Being savvy about checks. . .

One way to reduce the risks of uncollectible checks is to be savvy about the different types of checks. There are five major types.

***Travelers' checks** are sold in preprinted amounts to travelers who don't want to carry large amounts of cash. They are usually as good as cash, if you make sure they are signed by the holder in your presence and that the signature on the check matches the signature at the time of payment.

***Personal checks** are those written and made out to you and your restaurant and signed by the customer. Proper identification should accompany this check.

***Two-party checks** are issued by one person to a second person who endorses it in order to be cashed by a third person. This type of check is highly susceptible to fraud because the maker can stop payment at the bank.

***Payroll checks** are issued to an employee for services rendered. This check can be acceptable if the name of the employer is typed or imprinted by a writing machine. Hand-printed, rubber-stamped or typewritten payroll checks—even if drawn on a local bank and issued by a local business—should not be cashed unless you live in a small town and know the company officials and the employee personally.

***Government checks** are issued by the federal government or state, county or local government. These checks cover such things as salaries, tax refunds, pensions, welfare allotments and veterans' benefits. Since so many government checks are stolen you should use extreme caution when accepting these checks for payment.

Weak links to look out for. . .

Although you should always be cautious when accepting checks, there are some prime areas where checks often go wrong. Being aware of these areas can help you reduce the risk of nonpayment. For example, any check that is not 100 percent legible should be refused. If the check is drawn on a personal account, ask your customer to void it and write another. If it's one of the other four types of checks, flatly refuse to accept it. Other things to watch for are included in the box on page 20.

Proper identification is another important consideration when you accept checks because it can help weed out the veteran bad-check writer. The most reliable IDs are a driver's license, picture government ID, a major credit card and/or military identification. Other acceptable IDs—if you exercise discretion when using them—include passports, birth certificates, marriage licenses, recently paid utility bills and local credit cards.

At the other end of the spectrum are unreliable forms of identification. It's highly advisable not to accept something so unofficial as a business card, library card, social security card, voter's identification card, bank book or insurance card because these IDs are too easy to buy, steal, forge or borrow. Also, don't be reluctant to ask questions. Never, under any circumstances, accept a check from someone who is intoxicated.

One very simple measure to help deter fraud that only takes a minute of your time is to verify the customer's address and phone number in the telephone directory or with the information operator.

Another deterrent that was used by a White Plains, New York restaurant a few years back was to post all bad checks in a glass-enclosed bulletin board for public viewing. This method would probably be most effective in a small community.

Also, you might try photographing each person along with their identification. Criminals, of any sort, are notoriously camera shy.

Services that help make check acceptance more feasible. . .

Telecheck is a service that has been around since 1964 to help merchants verify the quality of checks. Here's how it works: The restaurateur calls in the check number to Telecheck. Within 30 seconds the computer—known as Samantha—will either give or withhold an authorization code. If the code is given, Telecheck guarantees the check for 100 percent of the face value. If authorization is withheld—and this happens about five percent of the time—the restaurateur has the option of asking for a different form of payment or accepting it at his own risk. Telecheck will not disclose the reason for refusing authorization but will invite the customer to write Telecheck for the reason for refusal. This helps avoid embarrassment for both the restaurateur and the customer.

Check Control Systems is an organization that was founded seven years ago in Lafayette, LA by Barbara Broussard to help honest check writers prove they can be trusted. For $7.50 per year, a person can receive a Check Control identification card. The companies that accept these cards pay a yearly fee based on the check ceiling they want to have covered. For example, for $100 a year, Check Control Systems will guarantee 100 percent of all checks written for the amount of $50 or less; for $200, it will guarantee checks written up to $100.

10

10 areas where checks can go wrong

When checks go wrong, it's usually in one of the following 10 areas. By knowing what to look out for, you will reduce your risks of accepting a noncollectible check.

1. ***date***—**examine for accuracy of day, month and year.**
2. ***location***—**check should show the name, branch, town and state where bank is located.**
3. ***amount***—**Be sure numeral amount agrees with written amount.**
4. ***legibility***—**check should be written and signed in ink with no erasures or written-over amounts.**
5. ***payee***—**check should be made payable to your restaurant. Be extremely careful of two-party checks.**
6. ***amount of purchase***—**check should be written for the exact amount. Unless you know the customer personally, do not make change.**
7. ***low sequence numbers***—**experience indicates that there is a higher frequency of bad checks on new accounts.**
8. ***non-local bank***—**list the customer's local and out-of-town address and phone number on the back of the check.**
9. ***dollar amount of check***—**most bad checks occur in the $25 to $35 range.**
10. ***types of merchandise purchased***—**when a customer's tab is way above the average for your restaurant, be a little more cautious when accepting the check.**

The company started in Louisiana, but the service has spread to Alabama, Florida, Georgia, Indiana, Kentucky, Michigan, Mississippi, New York, North Carolina, Ohio, South Carolina, Tennessee, Virgina and Washington.

Stiffer penalty laws. . .

The U.S. courts are on the side of businesses faced with the problem of bad checks. Several states have passed legislation within the past two years to help fight the battle against bad checks. For example, restaurateurs in Virginia, West Virginia and North Carolina may now assess a service charge of $10 for each check returned for non-payment. Indiana's new statute allows businesses to charge 18 percent interest on the unpaid amount of a worthless check. It also allows food-service operators to recover up to $100 in attorney's fees if civil court action is necessary to collect.

Illinois restaurateurs are now able to recover all reasonable costs involved in filing suit under a new bad-check law. Arkansas' new statute provides for full restitution to victims of worthless checks. And the state's separate new "hot check law" provides for greater flexibility in recovering losses from third-party checks.

North Dakota and Virgina adopted tougher new criminal penalties for check fraud last year while Mississippi and Maine approved legislation to curb fraudulent identification practices by requiring photographs on all new drivers' licenses.

Taken together, these new laws to help curb bad checks, the low national average of bounced checks and precautionary measures when accepting checks may make checks a more viable way to transact restaurant meals than has been commonly believed.

EDUCATION

NAPA crush '82

NRA workshop takes the mystery out of the fruit of the vine

If winemakers were still crushing grapes by stomping on them, participants of NRA's seventh annual Wine Workshop would probably be cursed with purple feet. This year the hands-on workshop went to Napa Valley, CA, for the September "crush" or grape harvest. One participant reflected, "There is no better way to understand what's involved in making a good wine, than to be in an area like Napa during the crush."

Specially planned tours of the wineries took participants to the fields to pick grapes, to the crushing machines to taste the freshly pressed juices, to the barrel rooms to sample the fermenting juices, then finally to the tasting rooms to sip the aged wines.

After four laborious days of sampling 72 Napa Valley wines, one participant exclaimed, "This workshop is like a total-immersion language course, but the homework isn't as tough. This morning I found myself absent-mindedly swirling my orange juice and checking its bouquet. We've been living, talking and, best of all, tasting wines all week. I've reached the point that I assume that any glass I pick up has wine in it. I never imagined I'd be able to learn so much about wine and feel so comfortable with the whole winemaking process. I no longer find it intimidating."

Mixing tastings with restaurant-related issues. . .

Morning sessions during the workshop focused on merchandising wines, training staff, building wine cellars and wine lists as well as on the prevailing trends in American wine making. Afternoon winery tours were often highlighted by lectures and question and answer sessions with the winemakers themselves. Robert Mondavi joined the group for lunch at the Mondavi winery. He discussed his new vintage reds and whites as well as his joint venture with Rothschild's of France.

"There is no better way to understand what's involved in making a good wine, than to be in an area like NAPA during the crush."

Joseph Heitz took the group on a tour of his grape press in action then set up a rare tasting of his 1974 Cabernet Sauvignon which the group was able to compare with his 1977 Cabernet Sauvignon. "I never truly appreciated what aging a wine will do for it until Heitz lead us through his tasting," explained one restaurateur.

When the four days were over, all the participants left feeling excited by what they had learned, enthusiastic and confident about building wine sales in their restaurants and even a little sad that it was over. But they were all committed to coming back to next year's NRA Wine Workshop.

During the four-day workshop, many questions, ideas and trends were discussed. The following questions and answers show the range of subjects covered at the workshop. Some of the answers may be subject to argument, but they do highlight the scope of issues on the minds of foodservice operators.

Q. How do I decide what kind of wine list to develop?

A. Your wine list should reflect your menu diversity. It should be in line with your prices, and it should complement your menu. For example: If your entree price range is between $5.00 and $10, your wines should start at $4. If you have 10 items on your menu, don't feature 15 wines—the limit should be about five wines.

Q. Every time I think my wine list is in order, my supplier tells me he can no longer get one or more of the wines on my list. What should I do to avoid expensive changes to my list?

A. If you just can't depend on your supplier to let you know what quantities are available, develop a looseleaf wine list and just paste a label on a page, type in the price and add it to your binder. If you have to delete a wine, just pull the page out. You'll find this is also a good merchandising tool. Your guests may enjoy reading the labels. Be sure that your staff is prepared to help your patrons read the labels.

A wine should smell like the variety of grape from which it is derived.

Q. Are there any simple guidelines I can use to start a cellar?

A. Start out small. For the first three years invest $2,000 a year. That will buy you about 30 cases of wine. The third year, sell the first wine you purchased. Price the wine so that it reflects its popularity as reflected in press coverage. Then use a percentage of your profits to expand your wine cellar.

Q. At what temperature should I maintain my cellar?

A. Fifty-five degrees Fahrenheit is optimal. For every 10 degrees above 55 degrees, wine will age twice as fast. The important thing to remember is to maintain wine at a constant temperature.

Q. Should I decant a vintage wine when I serve it to guests?

A. This is the subject of some disa-

Joesph Heitz set up a rare tasting of his 1974 and 1977 Cabernet Savingnon.

greement. Generally, an older vintage wine will profit from breathing. Just taking the cork off is not enough. If a wine is decanted for a period of time before consumed, it will help bring out more of its natural bouquet and taste. You will also be able to keep the sediment out of the carafe. Be sure to bring the wine bottle to the table before decanting for the guest's inspection. Be sure to ask your patrons if they would prefer the wine in the bottle—because the first rule of a restaurateur is to please his patrons.

Q. Isn't wine consumption in the U.S. ultimately limited because wine intimidates so many people?

A. No. There is a large movement among leading winemakers in the U.S. to take the pretense out of wine—to demystify it. We'll see the rise of wines just labeled "Vintage Red" or "Vintage White." Winemakers are aware that wines, such as Gewurtztraminer, intimidate would-be wine drinkers because of their names alone. Restaurateurs, however, must play a larger role in taking the mystery out of wine. The days of the high brow sommelier should be gone for good.

Q. Are all the new, small wineries good for the U.S. market?

A. Yes. They add quality. They also add to consumer acceptance as well as to the growth of the wine industry in the U.S. Smaller wineries mean high wine cost, however, because it is more expensive for them to produce limited quantities of wine. As more wineries enter the market, wineries will begin to specialize in what they can produce best.

Q. Vineyards are popping up all over the U.S. Does this mean that the U.S. is importing less wine?

A. No. Before World War II, the U.S. imported only five percent of its wine. In 1981, we imported 22.7 percent, and the 1982 figures should show that we have imported 24 to 25 percent of the wine we consumed. The foreign wineries are anxious to sell even more wine to the U.S. market. The surplus of wine in Europe is about three times Califonia's total wine production.

Q. What will proliferation of wineries mean to restaurants?

A.
1. Bigger and better selections
2. Higher prices from the smaller producers
3. Higher profit margins
4. More confusion in purchasing wine because there is more available
5. A larger inventory to allow customer selection
6. More storage space for the larger inventory.

Q. Will the recent introduction of tap wines affect the overall U.S. wine market?

A. Yes, it will have a fundamental and lasting effect on wine marketing and distributing. It will probably affect the market the same way that tap beer and soft drinks have.

Q. Will the new light wines affect the popularity of wine?

A. Yes. Light wines are a step toward lowering the alcoholic content of wine. The light wines are generally sweeter than regular wines, therefore, non-wine drinkers may find light wines easier to get use to than other wines. As their palates begin to develop a taste for wine, they may move on to other varieties. The overall result could very well be increased wine consumption.

During the next several years we will also see a growth in de-alcoholized wine as well as grape juice made from wine grapes, such as Chardonnay and Pinot Noir.

Americans drink about 1.6 gallons of table wine per capita.

Q. Where does wine rank in per capita consumption of beverages in the U.S.?

A. Wine ranks tenth. Americans drink about 1.6 gallons of table wine per capita. Water ranks first at 55 gallons per capita followed, in order, by soft drinks, coffee, beer, milk, fruit and vegetable juices, water-based juices, tea and distilled spirits (mixed drinks). This indicates wine may have a large growth potential.

Q. Has the entry of large corporations into wine growing helped or hurt the U.S. wine industry?

A. They have helped. They have added a new dimension to the U.S. wine industry, particulary in wine marketing.

Q. Why are red wines generally aged in oak barrels longer than white wines, and why are some whites never put in oak?

A. Wines are placed in oak barrels to add to their taste. Red wines are generally more full bodied than white wines and will not be overpowered by the oak or smokey flavor that the barrel gives the wine. Some white wines are so delicate that the oak flavor would totally obliterate the taste of the grape, therefore, they cannot be aged in oak barrls at all.

Q. Why is the sugar level of the ripe grape so important in winemaking, particulary in California?

A. The sugar level of a grape will reflect directly on the amount of alcohol in the finished wine. In California, no sugar can be added to the fermenting juices, so the sugar level of the natural grape is particularly important.

Q. What percentage of the U.S. wine production comes from Napa Valley?

A. About 88 percent of the wine produced in the U.S. comes from Califorina; only three percent of that is produced in the Napa Valley. There are approximately 120 wineries in Napa Valley.

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AT YOUR SERVICE

NRA information service & library— Where the answers are in foodservice!

Restaurant operators are constantly faced with day-to-day information problems, usually without the time or at-hand resources to solve them. This is where NRA's Information Service & Library plays its major role. Here are samples of the range of inquiries the NRA information staff has responded to recently.

Q. Is there a directory which lists available franchises?

A. The Department of Commerce publication, *Franchise Opportunities Handbook*, 1982, has recently been released. This handbook includes listings of franchise restaurants that are available for purchase.

The publication provides information for 1,023 franchisors, giving a brief description of the operation, number of franchises, the amount of equity capital needed as well as whether or not financial assistance and training programs are available.

A copy of the handbook is available for reference in the NRA Information Service and Library, or it can be purchased from the Government Printing Office, Washington, DC, at a cost of $10.

Q. What are the major travel guides that list and rate restaurants?

A. Several travel publications rate and list restaurants at little or no cost to a foodservice operator. Among the guides that have a large reading audience are:

- **American Automobile Association**
  8111 Gatehouse Road
  Falls Church, VA 22047
- **Exxon Travel Guide**
  General Drafting, Inc.
  P.O. Box 161
  Convent Station, NJ 07961
- **Mobile Travel Guide**
  Rand McNally Travel Research Center
  P.O. Box 7600
  Chicago, IL 60680
- **Travel/Holiday Magazine**
  Travel Building
  51 Atlantic Avenue
  Floral Park, NY 11001

Q. We are considering expanding our chain of restaurants. Are there statistics that show population trends for the years ahead?

A. NRA's recent study entitled *"State Projections to 1990: An Overview and Analysis"* gives population projections by age for the total U.S. for the years 1985 and 1990.

POPULATION BY AGE, 1970-1990

	1970	1978	1985	1990
UNDER 14	57,900,052	—	51,630,000	55,195,000
15-19	19,070,348	—	17,944,000	16,714,000
20-34	41,278,450	—	59,978,000	58,650,000
35-49	35,203,744	—	42,823,000	50,400,000
50-64	29,693,830	—	32,666,000	32,197,000
65 +	20,065,502	—	27,305,000	29,823,000
TOTAL	**203,211,926**	**218,050,814**	**232,346,000**	**242,979,000**

The study also provides state-by-state projections by age, total personal income, per capita income and total employment figures through 1990.

NRA member price is $10.00; for non-members, $20.00. To order, contact the educational materials center. Please specify #CS970.

Members of the CO-WY Restaurant Association hire the handicapped

Cheyenne, WY, members of the Colorado-Wyoming Restaurant Association have hired eight handicapped individuals for foodservice jobs in the past six months. These individuals are part of a group of 40 persons who are trained annually through a cooperative foodservice program involving Goodwill of Wyoming and the State Department of Vocational Rehabilitation (DVR).

According to Goodwill executive director Jean Gilgannon, participation in this program has been the first employment opportunity for many of these young people.

The training program is supervised by Goodwill's vocational training specialists and includes classes in sanitation, safety and foodservice procedures and direct experience in customer service.

All seven Cheyenne restaurants which have hired the Goodwill trainees have expressed satisfaction with the quality of their work. In fact, a comment frequently heard from the restaurateurs is, "I wish all employees were as dedicated to their jobs."

Gilgannon observed that steady employment in local restaurants has brought greater independence for handicapped people. "There are public benefits also," she said, "since that financial independence cuts the necessity for the support of tax money."

THE HUMAN SIDE

Home-style meals in jail

Bland, lusterless meals usually come to mind when one thinks of institutional food—especially food served in jails. One notable exception are the meals in the Otoe County Jail in Nebraska City, NE. For the past five months the inmates have enjoyed tasty, nutritious, colorful meals prepared by mentally retarded trainees in a regional vocational training program.

Karen Hoffman, program director of the Region V Mental Retardation Services, was reluctant to bid on the job. "We had no experience in foodservice and no idea about estimating cost," she explained.

"I knew that if our bid was accepted, we had to fulfill the contract. I was especially concerned because it meant three meals each and every day, and I couldn't see how scheduling would work."

But since the inception of the program, morale at the training center is at an all time high. Trainees have gained proficiency in food preparation and take personal pride in attractive meals, packaged for delivery to the jail.

Because of the absence of wholesale stores in the area, the training staff stocks up on sale items and buys cases of staples whenever possible. A local bakery helps out by selling the center day-old bread at half price and by providing leftover sweet rolls and donuts twice a week.

Willis Gould (left) and Mike Reed begin lunch preparations for the Otoe County jail, Nebraska City, NE. The menu includes a meaty taco salad, chips, buttered roll and apple.

The menus vary each day during the month except for breakfast when there may be an occasional repeat. A nutritionist who reviewed the menus said they "exceed expectations."

The cooks have learned a lot during the past five months, even overcoming disaster on several occasions—like when the stew discolored because it was stored in a metal pan and when the milk soured because it was stored in sealed styrofoam cups. The program has given the trainees valuable, practical experience in cooking and both trainees and staff are proud of the meals they serve.

The inmates are pleased with the arrangement, too. As one said, "The food reminds me of home."

TECHNICAL SERVICES

Degree days: One measure of heating efficiency

Understanding the energy term "degree days" will help you keep track of one change in your heating costs.

By knowing the degree days for a current month and also for the same month a year ago, it is possible for you to compare your energy consumption for heating from one year to the next. Of course, adjustments for the variables of weather should be made in this computation. In addition, by knowing the degree days you can establish the number of cubic feet, therms or kilowatt hours per degree day and thereafter use this information as a standard to determine if your building is being heated as efficiently as possible during different periods of the year. Degree days also can be used to predict energy consumption for a similar building in another location or in evaluating similar buildings but of a different construction.

Degree days explained. . .

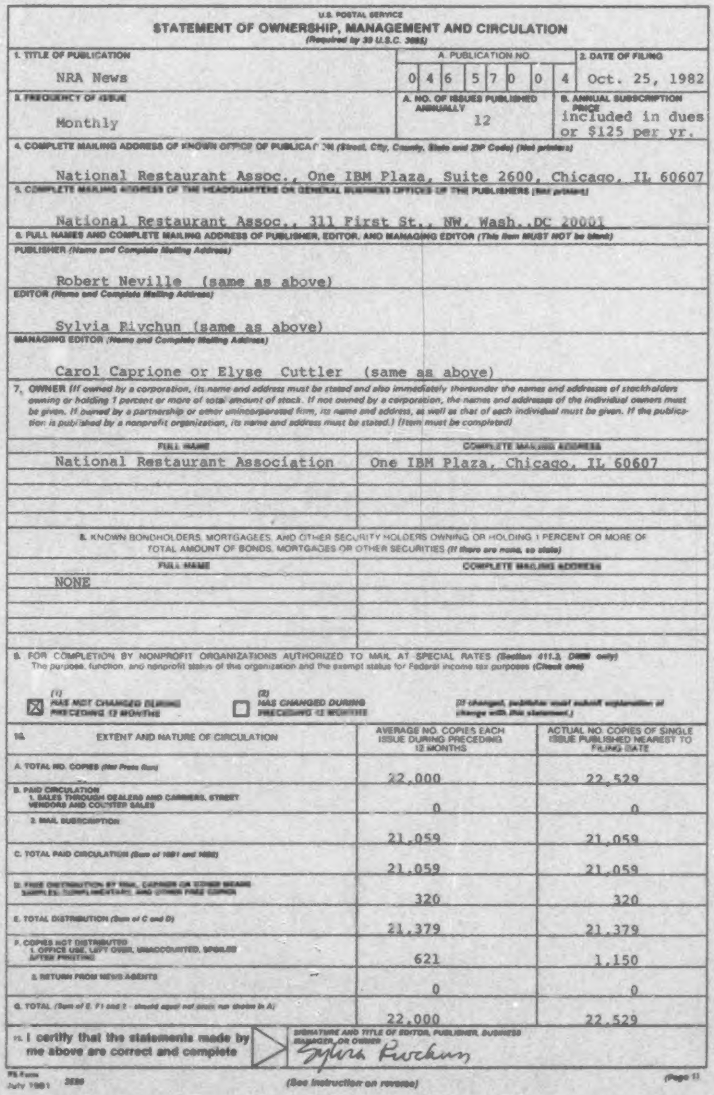
What does degree days mean? The number of degree days for a single day is equal to the difference between 65° F and the mean temperature for that day. For example, if the lowest temperature in South Bend, IN, was 46° F on March 3 and the highest temperature was 58° F, the mean temperature for March 3 was (58 + 46) divided by (2) or 52° F. The number of heating degree days for South Bend on that day was (65 – 52) or 13. Making the same computation for each day and then totaling them determines the number of annual degree days. Energy consumption for heating identical buildings operated in a similar manner can be directly related to these values.

The National Weather Service has compiled annual degree days for major American cities based on records it has collected over an extended period of time. A number of these figures are listed in the adjoining chart.

For information on current degree days for other locations across the country, contact the Climate Analysis Center of the National Weather Service, 301/763-8071.

Annual Heating Degree Days

Birmingham, Alabama	2551
Fairbanks, Alaska	14279
Phoenix, Arizona	1765
Los Angeles, California	2061
Denver, Colorado	6283
Miami, Florida	214
Atlanta, Georgia	2961
Chicago, Illinois	6639
New Orleans, Louisiana	1385
Boston, Massachusetts	5634
Minneapolis, Minnesota	8382
Houston, Texas	1396
Seattle, Washington	5145



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PS Form July 1981 3526 (See instruction on reverse) (Page 1)

FOODSERVICE TRENDS

Majority of consumers read or listen to restaurant reviews

Restaurant operators and managers often wonder just how important restaurant reviews are to the overall success of a new or existing restaurant. They want to know whether people read these reviews, how often they read them, where they read them, and whether bad reviews prevent people from going to a restaurant. Because of this interest and concern, the National Restaurant Association included several questions on a recent *Restaurant & Institutions* consumer attitude and behavior survey.* This article will highlight the survey findings.

More than half of the respondents read or listen to review. . .

The majority of consumers do pay attention to restaurant reviews, with over half of those interviewed stating they read or listen to them versus 46 percent of the respondents who said they do not. People who spend a lot of money each week on eating out are more likely to read reviews than are those who spend relatively little, according to the results of this survey.

Three-fourths of the very heavy spenders (those who spend more than $50 a week on eating away from home) said they read or listen to restaurant reviews and 64.0 percent of the people who spend between $26 and $50 said they read them. In contrast, 51.1 percent of those respondents who spent between $10 and $25 per week and 41.9 percent of light spenders (those who spend less than $10 per week on eating out) read reviews. Other demographic segments that show a greater tendency to read or listen to restaurant reviews include upper income households and households where the female head is employed outside the home.

Frequency of reading/listening to restaurant reviews

Frequency	Percent of Respondents*
At least once per week	41.7%
Once every two weeks	10.7
Once a month	21.4
A couple times per year	26.2

*Asked only of those who said they read or listen to restaurant reviews.

Most people read reviews at least once a week. . .

When those who said they read or listen to restaurant reviews were asked how often they do so, the largest proportion—41.7 percent—said they read reviews at least once a week. In addition, one out of 10 readers said once every two weeks and an additional two out of 10 said once a month. Only one-fourth (26.2 percent) of the respondents reported reading or listening to reviews a couple of times a year.

Restaurant reviews featured in daily newspapers and in Sunday supplements are most likely to be read by review-conscious consumers. Fifty-six percent of the respondents who read or listen to reviews said they read them in daily newspapers, and 52 percent said they read reviews in Sunday supplements. One-third of these consumers reported they have heard a restaurant review on television, and 28.7 percent said they have read reviews in magazines. Singles and adult-only households are most likely to read about restaurants in daily newspapers, with more than six out of 10 saying that's where they look. In addition, singles tend to read restaurant reviews featured in magazines more often than does the average review reading consumer—34.4 percent versus 28.7 percent.

Very heavy spenders (more than $50 per week on eating out) also favor newspaper reviews. Sixty-six percent read about restaurants in daily newsapers, 60.6 percent read reviews in Sunday newspapers and 51.1 percent read restaurant reviews in magazines.

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*In July of this year National Family Opinion, under contract with the Bureau of Foodservice Research of the Cahners Publishing Company—the publishers of *Restaurants & Institutions*—conducted a consumer attitude and behavior study on restaurant habits. Questionnaires were mailed to 2,000 households located in all sections of the U.S. The results of this survey are based on responses from 1,422 households.

People likely to go to a restaurant which receives a good review. . .

Most people are likely to visit a restaurant which has gotten a good review; however, the converse is not necessarily true. When asked whether they agreed or disagreed with the statement, "I am more likely to go to a restaurant if I read or heard good reviews," the vast majority—81.5 percent—said they agreed with the statement versus only 18.5 percent who disagreed. People who indicated they read restaurant reviews are more easily influenced by a good review than are those who do not read them: nearly nine out of 10 readers versus a considerably lower seven out of 10 non-readers. In addition, very heavy spenders and upper income households are also influenced by a good review. Of the survey respondents from these two groups, 86.2 percent indicated they agreed that they are more likely to go to a restaurant if they read or heard good reviews about the establishment.

When asked whether they agreed or disagreed with the statement, "I would not go to a restaurant that received an unfavorable review," only four out of 10 agreed, compared with six out of 10 who disagreed. Both readers and non-readers of reviews reported similar levels of agreement with this statement. However, very heavy spenders, who represent an important patron group, are not particularly influenced by an unfavorable review. Only one-third of the individuals who spend more than $50 per week in restaurants agreed that a bad review would keep them from visiting a restaurant. However, some other important customers are swayed by an unfavorable restaurant review. Forty-five percent of the light spenders and 46 percent of the individuals from households with no children agreed that an unfavorable review could prevent them from patronizing a particular establishment.

Consumers find restaurant reviews informative. . .

The majority of individuals interviewed said they find restaurant reviews to be informative, but they tend to feel that reviews concentrate primarily on expensive restaurants. Three-fourths of those interviewed agreed that "reviews contain information I need to know about food, service and atmosphere", but readers of reviews displayed a considerably higher level of agreement with this statement than did non-readers—83.2 percent versus 58.8 percent. (What patrons look for in reviews is also what they consider when they choose a restaurant. A recent NRA consumer survey, *How Consumers Make the Decision to Eat Out*, indicated that the three most important factors considered by consumers when choosing a restaurant are quality of food served, friendly service and atmosphere.)

More than half (54.5 percent) of those surveyed agreed that "reviews concentrate too much on expensive restaurants," compared with 45.5 percent who disagreed. Seven out of 10 individuals who said they do not read restaurant reviews agreed with this statement, while more than half (56.1 percent) of the readers disagreed with it. In addition, people who spend less than $10 per week in restaurants generally feel that restaurant reviews concentrate too much on expensive restaurants, while heavy spenders tend not to feel this way. Six out of 10 light spenders reported that they agreed that reviews concentrated too much on expensive restaurants compared with only 37.0 percent of the heavy spenders. Perhaps light spenders and non-readers would pay more attention to restaurant reviews if they talked about more moderately priced places.

The vast majority of consumers believe that restaurant critics are knowledgeable about food, according to the results of this survey. Eighty-four percent of those interviewed agreed with the statement, "restaurant reviewers are generally knowledgeable about food," versus a small minority—16.2 percent—who disagreed. People who read restaurant reviews have more trust in the critics than do those who do not read them. Eighty-nine percent of the readers agreed with this statement versus 77.7 percent of the non-readers.

Most believe reviews are influential to the success of a restaurant. . .

Consumers from all demographic segments generally believe that restaurant reviews do contribute to the success of a restaurant. Seven out of 10 people surveyed agreed that "reviews are influential to the success of a restaurant," and three out of 10 disagreed with the statement. An analysis of readers versus non-readers shows little difference—72.2 percent of the readers agreed and 69.3 percent of the non-readers agreed. In addition, the level of agreement is approximately the same for all income and restaurant spending groups. However, slightly more singles and adult only household members (75 percent) indicated that they agreed with this statement.

Where do you read or hear restaurant reviews

Media Type	Percent of respondents*
Daily newspapers	56.3%
Sunday newspapers/supplements	52.0
Television	32.1
Magazines	28.7
Radio	22.1
Weekly newspapers	17.9

*Asked only of those who said they read or listen to restaurant reviews.
Note: Multiple responses were allowed.

Consumer attitudes about restaurant reviews

	Total respondents		Review Readers		Non-readers	
Statement	**Percent who Agree**	**Disagree**	**Percent who Agree**	**Disagree**	**Percent who Agree**	**Disagree**
Restaurant reviewers are generally knowledgable about food	83.8%	16.2%	88.8%	11.2%	77.7%	22.3%
Reviews are influential to the success of a restaurant	70.9%	29.1%	72.2%	27.8%	69.3%	30.7%
Reviews contain information I need to know about food, service and atmosphere	73.3%	26.7%	83.2%	16.8%	58.8%	41.2%
Reviews concentrate too much on expensive restaurants	54.5%	45.5%	43.9%	56.1%	69.6%	30.4%
I would not go to a restaurant that received an unfavorable review	40.7%	59.3%	41.2%	58.8%	38.8%	61.2%
I am more likely to go to a restaurant if I read or heard good reviews	81.5%	18.5%	88.7%	11.3%	70.7%	29.3%

Few respondents who try a new restaurant say they go because of a review. . .

Only 27.5 percent of those interviewed reported that the last time they visited a new restaurant a review influenced their choice. In contrast, 72.5 percent said a review had nothing to do with their choice of a new eating place.

Review readers, however, are more likely to rely on a review when selecting a new restaurant. Thirty-four percent said that the last time they went to a restaurant they had never been to before, they had read or heard about the establishment. In addition, 31.6 percent of the heavy spenders ($26 to $50 per week) said their last visit to a new restaurant was because of something they had read or heard.

According to this study, word of mouth and the reputation of the restaurant are the most influential factors when selecting a new restaurant. However, one out of 10 respondents did say that a restaurant review in the newspaper influenced their selection of a new eating place. This is higher than the proportion of people who said a television advertisement (7.8 percent), a promotion (5.4 percent) or a radio review (3.5 percent) influenced their decision to try a new restaurant.

Not surprisingly, people who usually read or listen to restaurant reviews are more likely to rely on them when choosing a new eating place. Fifteen percent said a newspaper review influenced their choice and another 4.4 percent said a radio review influenced their decision to visit a new restaurant.

Factors influencing choice of a new restaurant

Factors	Percent of Total Respondents	Percent of Readers	Percent of Non-readers
Recommendation of a friend	63.3%	62.6%	63.8%
Suggestion of a family member	32.8	29.0	37.8
The reputation of the restaurant	24.4	25.7	22.6
Newspaper advertisement	14.8	17.6	11.4
Price discount coupons	14.7	13.4	16.7
Restaurant review in the newspaper	10.0	14.7	3.4
Advertisement on television	7.8	7.4	8.0
Restaurant promotion	5.4	6.8	4.1
Advertisement on the radio	5.0	5.8	3.9
Restaurant guide	3.9	5.4	2.0
Restaurant review on the radio	3.5	4.4	2.7
Dining club	1.5	2.0	0.9

Note: Multiple responses were allowed.

Children and teens: where they eat & what they eat

Children and teens 17 years old and under are formidable market forces in our economy, as they represent 32 percent of the nation's population or 72 million people. They are particularly important to the restaurant industry because, as the recent NRA consumer study* How Consumers Make the Decision to Eat Out *revealed, they have considerable influence on the decision to eat out as well as on the choice of restaurant. (See "Foodservice Trends" section of August 1982* NRA News.) *They are also important to the foodservice industry because they spend considerable amounts of discretionary money. (See August 1981* Foodservice Trends.) *For example, teens spent an average of $14.80, or 14.5 percent, of their total weekly expenditures on food and snacks in 1980.

To examine the eating habits of children and teens more closely, the National Restaurant Association recently commissioned CREST (Consumer Reports on Eating Share Trends) to perform a special menu item analysis for children age 12 and under and teenagers 13 to 17 years old. (The study is based on CREST diaries for the December 1981 to May 1982 period.)

This report analyzes the types of restaurants children and teens visit most frequently, the meal periods they dine out for most often and the type of menu items they order by meal occasion and restaurant type. This information can help restaurant operators plan advertising and promotional campaigns and can provide ideas for developing a special menu for children.

Highlights

- **Children and teens dine out most frequently at fast food, family and atmosphere/specialty restaurants. Cafeterias and coffee shops account for the smallest share of total restaurant visits by individuals 17 years old and under.**
- **Children and teens dine out most often for supper and least often for breakfast. Lunch is also a popular away-from-home meal.**
- **For the evening meal, hamburgers were the most popular entree at fast food restaurants while pizza was the most frequently ordered item at both family and atmosphere/specialty restaurants.**
- **Hamburgers, french fries and soft drinks were the most popular lunch items among children and teens at fast food and family restaurants, while pizza had the highest order frequency of lunch items at atmosphere/specialty restaurants. The highest order frequency of hamburgers and french fries was at fast food restaurants.**
- **French fries were the most popular side dish with supper at fast food and family restaurants. However children and teens ordered salads more frequently than french fries at this meal period at atmosphere/specialty restaurants.**
- **Ice cream was the most frequently ordered dessert item at both the mid-day and evening meals at fast food, family and atmosphere/specialty restaurants.**
- **Juice, breakfast sandwiches and bacon or sausage were the most popular breakfast items at fast food restaurants. Juice and bacon or sausage were also popular breakfast items at atmosphere/specialty restaurants, while waffles or pancakes and milk were the most frequently-ordered menu items at family restaurants.**

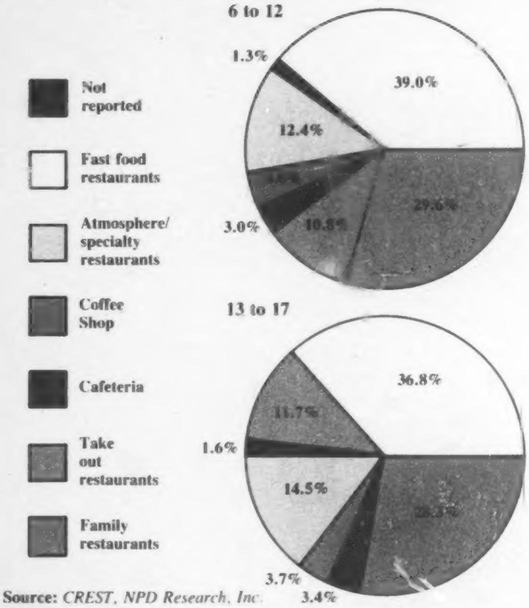
Children and teenagers visit fast food restaurants most often . . .

Individuals 17 years old and under visit fast food restaurants more often than any other restaurant type, according to the CREST data. Fast food restaurants accounted for 42 percent of total restaurant visits by children under age 6, 39 percent for those between the ages of 6 and 12 and 37 percent for those between the ages of 13 and 17. A recent NRA consumer survey, *How Consumers Make the Decision to Eat Out*, revealed that 24.1 percent of children 13 years old and under and 36.6 percent of those between 13 and 17 years of age, who were present at a fast food meal occasion, influenced the decision to dine at this restaurant type. This may be a factor accounting for the large proportion of visits to fast food restaurants by the 17 and under age group.

Children were also frequent patrons of family restaurants, accounting for 27 percent of total visits by children under age 6, 30 percent for those between the ages of 6 and 12 and 28 percent for those between the ages of 13 and 17. The NRA study revealed that these age groups also have considerable influence on the decision to dine at a family restaurant, but it is not as strong as at fast food establishments.

Atmosphere/specialty restaurants accounted for only 12 percent of total restaurant visits by children under age 6, 13 percent for those 6 to 12 years of age and 15 percent for those between the ages of 13 and 17. On the other hand, cafeterias and coffee shops accounted for the smallest share of total restaurant visits by children 17 years old and under—7 percent.

Percent of total visits to restaurant types by children and teens



Source: *CREST, NPD Research, Inc.*

These restaurant types tend to be more adult-oriented than fast food and family restaurants—most likely accounting for the lower proportion of visits by the 17 and under age groups.

Children eat supper out most frequently. . .

Children dine out more often for supper than any other meal occasion. (CREST data include meals eaten at commercial establishments only and, therefore, does not include school lunches.) Analysis of CREST data revealed that the evening meal accounted for 43.8 percent of total restaurant visits by children under age 6 and almost 49 percent for those between the ages of 6 and 12 as well as 13 and 17. Lunch was also a popular away-from-home meal among individuals age 17 and under, accounting for 32.7 percent of total restaurant visits by the 6 and under age group, 27.8 percent for those in the 6 to 12 age segment and 26.6 percent for teenagers.

On the other hand, children age 17 and under ate out least often for snacking occasions and breakfast. Snacks accounted for 15.3 percent of total restaurant visits by children age 6 and under, 15.8 percent for individuals between the ages of 6 and 12 and 17.2 percent for those in the 13 to 17 age group.

Breakfast accounted for the smallest share of restaurant visits—less than one out of 10 children and teens ate out at this meal occasion. When they did eat breakfast away from home, donuts or sweet rolls and juice were the most popular breakfast items.

The following sections of this report are divided into three parts, one for each restaurant type - fast food, family and atmosphere/specialty. Within each section we have analyzed the frequency of ordering menu items at breakfast, lunch and supper for children 12 years old and under and teenagers 13 to 17 years of age.

I. Fast food restaurants

Children and teens showed a preference for juice and breakfast sandwiches when dining out for the morning meal at a fast food restaurant, whereas hamburgers, french fries and soft drinks were the most popular lunch and supper items. Ice cream had the highest order frequency of all dessert items at this restaurant type for both the mid-day and evening meal occasions.

Juice most popular breakfast item. . .

Juice was the most popular breakfast item among children and teens at fast food restaurants, with children ordering juice on 31.2 percent of occasions while teens did so on 33.1 percent of occasions. In comparison, juice was ordered on only 17.0 percent of breakfast occasions at fast food restaurants by all CREST families.

Bacon, sausage and breakfast sandwiches were also popular menu items for the morning meal. Bacon or sausage was ordered by children on 27.0 percent of occasions and by teens on 21.5 percent of occasions—versus 19.9 percent for all respondents. Teens showed a preference for breakfast sandwiches as they ordered this item on 30.1 percent of occasions. This was similar to the proportion for all respondents—31.1 percent. However, the order frequency for this menu item was somewhat lower among children—ordered on 23.1 percent of occasions.

Milk was a frequently-ordered breakfast beverage at fast food restaurants by the 17 and under age segment. Children ordered this beverage on 17.2 percent of occasions while teens did so on 13.8 percent of occasions. Not surprisingly, milk was ordered on a considerably smaller share of occasions by all respondents—7.6 percent.

Regular soft drinks were also a popular breakfast beverage at fast food restaurants—ordered on 10.2 percent of occasions by individuals 12 years old and under and on 16.2 percent by those in the 13 to 17 age category.

Hamburgers most popular lunch item. . .

Hamburgers were, by far, the most frequently ordered lunch item at fast food restaurants among children and teens. Children ordered this menu item on 65.0 percent of mid-day meal occasions; teens ordered hamburgers on 53.4 percent of lunch occasions. The corresponding proportion for all individuals interviewed was 52.6 percent. Hot dogs were ordered on only 4.4 percent of lunch occasions by both the 12 and under and 13 to 17 age segments.

Roast beef and chicken sandwiches were also not very popular lunch items at fast food restaurants among teens—ordered on 4.0 percent and 4.7 percent of occasions respectively. However, children ordered these sandwiches even less frequently, on only 2.9 and 2.3 percent of occasions.

French fries were the most popular side dish at fast food restaurants for the noon-day meal. Children ordered this menu item on 66.6 percent of the lunch occasions while teens did so on 57.9 percent of occasions. The corresponding proportion for total respondents was somewhat lower—49.0 percent.

Soft drinks were the most popular lunch beverage at fast food restaurants among the 17 and under age group—ordered on more than half the occasions. In comparison, the order frequency for all individuals surveyed was somewhat lower—41.3 percent.

Frequency with which children and teens ordered menu items by meal period at fast food restaurants

	Percent of occasions		
	12 years old and under	13 to 17 year olds	Total respondents
Breakfast items			
Juice	31.2%	33.1%	17.0%
Bacon/sausage	27.0	21.5	19.9
Breakfast sandwiches	23.1	30.1	31.1
Milk	17.2	13.8	7.6
Soft drinks	10.2	16.2	10.1
Lunch items			
Hamburgers/ cheeseburgers	65.0%	53.4%	52.6%
Hot dogs	4.4	4.4	3.3
French fries	66.6	57.9	49.0
Regular soft drinks	52.0	55.5	41.3
Shakes/malts	9.5	11.0	7.7
Ice cream	3.3	4.7	2.4
Supper items			
Hamburgers	57.9%	54.9%	48.7%
Chicken	11.1	9.8	11.8
French fries	66.0	60.2	53.7
Regular soft drinks	46.1	42.7	33.8
Shakes/malts	11.2	11.6	8.5
Ice cream	4.5	4.4	3.6

Source: *CREST, NPD Research, Inc., December 1981-May 1982*

Ice cream was the most popular dessert item at fast food restaurants among children and teens—ordered on 3.3 percent and 4.7 percent of occasions, respectively. The order frequency for ice cream was somewhat lower for all respondents—2.4 percent.

Hamburgers also popular at supper. . .

Hamburgers were also the most popular supper entree at fast food restaurants among children and teens—ordered on 57.9 percent and 54.9 percent of occasions, respectively. In contrast, this menu item was ordered on less than half—48.7 percent—of occasions by total respondents.

Children and teens also showed a preference for chicken when dining out for the evening meal at a fast food restaurant. This entree was ordered on 11.1 percent of occasions by children, similar to the proportion for all respondents—11.8 percent. However, teens ordered chicken on a slightly smaller share of supper occasions—9.8 percent.

French fries were, by far, the most popular side dish at the evening meal—ordered on approximately seven out of 10 occasions by children and six out of 10 occasions by teens. In comparison, the order frequency for this menu item was somewhat lower for all respondents—53.7 percent.

Children and teens showed a preference for soft drinks at the evening meal when dining at a fast food restaurant. Children ordered this beverage on 46.1 percent of occasions while teens did so on 42.7 percent of occasions. The corresponding proportion for all CREST families was somewhat lower—33.8 percent.

Shakes and malts were also popular beverages at the evening meal. The 12 and under age group ordered this beverage at fast food restaurants on 11.2 percent of occasions while teens did so on 11.6 percent of supper occasions.

II. Family restaurants

Children and teens showed a preference for waffles, pancakes and milk when dining out for the morning meal at family restaurants. As was the case with fast food restaurants, hamburgers, french fries and soft drinks were the most popular lunch items, but pizza was the most frequently-ordered supper entree at family restaurants. Ice cream also had the highest order frequency of all dessert items at this restaurant type for both the mid-day and evening meal periods.

Waffles, pancakes most popular breakfast items. . .

Waffles and pancakes were the most popular breakfast items at family restaurants among children and teens, according to the CREST data. Children ordered this menu item on

36.9 percent of occasions, while the corresponding proportion for teens was 27.3 percent. In contrast, waffles or pancakes were ordered on a somewhat smaller share of occasions by all respondents—21.7 percent.

Eggs, usually fried or scrambled, are also popular breakfast items among these two age groups—ordered on 32.3 percent and 36.9 percent of occasions, respectively. However, the order frequency for this menu item was considerably higher for all individuals interviewed—47.7 percent. Juice, bacon or sausage and bread were also popular breakfast items among children and teens at family restaurants.

The 17 and under age group showed a preference for milk at the morning meal when dining at a family restaurant. Children ordered this beverage on 34.4 percent of occasions while teens did so on 25.5 percent of occasions. However, the corresponding proportion for all respondents was significantly lower—8.4 percent.

Hamburgers most frequently ordered lunch item. . .

Hamburgers were the most frequently ordered lunch item at family restaurants among children and teens—ordered on 22.6 percent and 19.3 percent of occasions, respectively. In comparison, hamburgers were ordered less frequently at the midday meal by all individuals interviewed—14.7 percent. Hot dogs were a more popular lunch item among children than other age groups. Individuals 12 years old and under ordered hotdogs on 5.2 percent of occasions, teens ordered hot dogs on 2.7 percent of lunch occasions, and all respondents ordered this menu item on 1.6 percent of occasions.

French fries were the most popular side dish at the mid-day meal among the 17 and under age group. Children ordered this menu item on four out of 10 occasions while teens did so on three out of 10 occasions. In comparison, the order frequency for this menu item was substantially lower among all respondents—21.5 percent. Salad and baked or mashed potatoes were also popular lunch side dishes at family restaurants among children and teens.

Individuals 17 years of age and under showed a preference for soft drinks at the noon-day meal at family restaurants—ordering the beverage on 46.5 percent and 50.2 percent of occasions, respectively. However, soft drinks were less popular among all respondents—ordered on only 19.1 percent of occasions.

Milk was also a popular beverage at this meal period among children and teens—ordered on 12.9 percent and 9.0 percent of lunch occasions, respectively. In contrast, this item was ordered on only 4.6 percent of mid-day meal occasions by all respondents.

Ice cream was the most-frequently ordered lunchtime dessert at family restaurants—ordered on 6.1 percent of occasions by children and on 6.6 percent by teens. However, this menu item had a considerably lower order frequency among all individuals interviewed—2.8 percent. Gelatin or pudding was also a popular lunchtime dessert at family restaurants among the 12 and under and 13 to 17 age segments.

Pizza most frequently ordered supper entree. . .

Pizza was the most frequently ordered supper entree at family restaurants among children and teens—ordered on three

Frequency with which children and teens ordered menu items by meal period at family restaurants

	Percent of occasions		
	12 years old and under	13 to 17 year olds	Total respondents
Breakfast items			
Waffles/pancakes	**36.9%**	**27.3%**	**21.7%**
Eggs, other than omelets	32.3	36.9	47.7
Juice	**30.8**	**34.0**	**15.5**
Bacon/sausage	27.1	26.7	30.2
Milk	**34.4**	**25.5**	**8.4**
Lunch items			
Hamburgers/ cheeseburgers	**22.6%**	**19.3%**	**14.7%**
Hot dogs	5.2	2.7	1.6
French fries	**40.4**	**32.8**	**21.5**
Salad	16.0	25.5	29.3
Regular soft drinks	**46.5**	**50.2**	**19.1**
Milk	12.9	9.0	4.6
Ice cream	**6.1**	**6.6**	**2.8**
Gelatin/pudding	5.2	1.7	2.1
Supper items			
Pizza	**30.1%**	**26.4%**	**15.8%**
Hamburgers	16.7	12.5	8.7
Fish/seafood	**11.7**	**13.0**	**17.8**
French fries	35.8	34.1	24.1
Salads	**19.9**	**28.7**	**43.0**
Regular soft drinks	46.7	52.8	21.8
Milk	**10.5**	**4.5**	**3.9**
Ice cream	6.4	6.0	4.7
Gelatin/pudding	**4.4**	**2.2**	**2.2**

Source: *CREST, NPD Research, Inc., December 1981-May 1982* out of 10 occasions. However, pizza was less popular among all individuals interviewed—ordered about half as often.

Hamburgers and fish and seafood were also popular entrees among children and teens when eating supper at a family restaurant. Children ordered hamburgers on 16.7 percent of occasions while the corresponding proportion for teens was somewhat lower—12.5 percent. In comparison, hamburgers were ordered on only 8.7 percent of supper occasions at this restaurant type by all individuals interviewed.

Teens ordered fish and seafood entrees on 13.0 percent of supper occasions while children did so on 11.7 percent of occasions. However, the order frequency for this entree was somewhat higher among all respondents—17.8 percent.

Fried fish entrees were more popular among individuals age 17 and under than non-fried fish entrees. Fried fish was ordered on 6.4 percent and 7.1 percent of occasions by children and teens, respectively, while non-fried fish entrees were ordered on less than one percent of occasions.

Children and teens also showed a preference for french fries at the evening meal at family restaurants. Children ordered this side dish on 35.8 percent of occasions while the corresponding proportion for teens was 34.1 percent. In comparison, french fries were ordered on one-fourth of the supper occasions at this restaurant type by all CREST families. Salads were also a popular side dish at the evening meal. However, they were ordered more often by teens—on 28.7 percent of occasions—than by children—on 19.9 percent of occasions. In contrast, this side dish had a considerably higher order frequency among all respondents—43.0 percent.

Children and teens continued to show a preference for soft drinks with the evening meal. Children ordered this beverage at family restaurants on 46.7 percent of occasions while teens did so on 52.8 percent of supper occasions. However, the order frequency for soft drinks was considerably lower for all CREST families—21.8 percent. Milk was also a popular beverage at the evening meal at family restaurants among children and teens.

Ice cream had the highest order frequency of all dessert items among the 17 and under age group at the evening meal—ordered on 6.4 percent of occasions by children and on 6.0 percent of occasions by teens. In contrast, this item was ordered by all respondents on 4.7 percent of occasions.

III. Atmosphere/specialty restaurants

Children and teens showed a preference for bacon or sausage and juice when eating breakfast at atmosphere/specialty restaurants. Pizza had the highest order frequency of menu items at the mid-day and evening meal occasions at atmosphere/specialty restaurants. Hamburgers, french fries and soft drinks were also popular lunch items at this restaurant type. Ice cream was once again the most frequently ordered dessert item at both the mid-day and evening meals at atmosphere/specialty restaurants.

Bacon, sausage, waffles and pancakes most popular breakfast items. . .

Bacon or sausage was the most popular breakfast item at atmosphere/specialty restaurants among children—ordered on 31.5 percent of occasions—while waffles or pancakes had the highest order frequency among teens—46.5 percent. In contrast, bacon or sausage was ordered on one-fifth of the breakfast occasions at this restaurant type by teens and on 28.7 percent by all CREST families. Waffles or pancakes were ordered on 22.3 percent of occasions by children and on a somewhat smaller share by all respondents—12.9 percent. Juice, donuts or sweet rolls and bread as well as fried and scrambled eggs were also popular breakfast items at atmosphere/specialty restaurants among children and teens.

Milk continued to be a popular breakfast beverage among the 12 and under age group at this restaurant type—ordered on 13.2 percent of occasions. However, soft drinks had the highest order frequency among teens—16.1 percent. In comparison, milk was ordered on 7.5 percent of breakfast occasions by teens and on a slightly smaller share by total respondents—5.3 percent. On the other hand, soft drinks were ordered on 3.3 percent of breakfast occasions at atmosphere/specialty restaurants by children and on only 2.9 percent by all respondents.

Pizza most popular lunch item. . .

Pizza was the most popular lunch item at atmosphere/specialty restaurants among children and teens—ordered on 20.3 percent and 22.9 percent of occasions, respectively. In comparison, this menu item was ordered on 8.0 percent of occasions by total respondents.

Hamburgers were also a popular lunchtime item at atmosphere/specialty restaurants among children and teens, ordered on 11.3 percent and 7.0 percent of occasions, respectively. The order frequency for this menu item for all respondents was 7.2 percent.

French fries were the most frequently-ordered side dish at the noon-day meal at atmosphere/specialty restaurants for children and teenagers—ordered on 25.0 percent and 20.6 percent of occasions, respectively. However, this menu item was ordered on a considerably smaller share of occasions by all CREST families—13.8 percent. Salads were also a popular side dish at this meal period—ordered on 16.5 percent of occasions by children and on 22.2 percent of occasions by teens. In comparison, this menu item had a considerably higher order frequency among all individuals interviewed—29.0 percent.

Children also preferred to order soft drinks with lunch at atmosphere/specialty restaurants. This beverage was ordered on over half, 53.5 percent, of lunch occasions by children and on more than six out of 10 occasions by teens. However, this item had a significantly lower order frequency at this meal period among all individuals interviewed—18.7 percent.

Ice cream was the most popular lunchtime dessert at atmosphere/specialty restaurants among children—ordered on 5.8 percent of occasions. Teens, however, showed a preference for cake or pastry—ordered on 7.1 percent of occasions. In comparison, teens ordered ice cream on only 1.3 percent of the mid-day meal occasions while children ordered cake or pastry on 5.5 percent of occasions.

Frequency with which children and teens ordered menu items by meal period at atmosphere/specialty restaurants

	Percent of occasions		
	12 years old and under	13 to 17 year olds	Total respondents
Breakfast items			
Bacon/sausage	**31.5%**	**20.3%**	**28.7%**
Juice	28.8	24.3	25.3
Donuts/sweet rolls	**26.1**	**6.6**	**16.4**
Waffles/pancakes	22.3	46.5	12.9
Milk	**13.2**	**7.5**	**5.3**
Lunch items			
Pizza	**20.3%**	**22.9%**	**8.0%**
Hamburgers/cheeseburgers	11.3	7.0	7.2
French fries	**25.0**	**20.6**	**13.8**
Salads	16.5	22.2	29.0
Regular soft drinks	**53.5**	**63.7**	**18.7**
Ice cream	5.8	1.3	3.3
Cake/pastry	**5.5**	**7.1**	**2.9**
Supper items			
Pizza	**42.6%**	**37.6%**	**17.4%**
Fish/seafood	10.8	12.7	22.2
Salads	**16.4**	**26.0**	**43.1**
French fries	16.0	15.5	11.5
Regular soft drinks	**43.4**	**43.5**	**16.1**
Milk	7.2	2.0	2.2
Ice cream	**5.8**	**4.2**	**5.0**
Cake/pastry	1.4	3.5	2.7

Source: *CREST, NPD Research, Inc., December 1981-May 1982*

Pizza most popular supper entree. . .

Pizza was also the most popular supper entree at atmosphere/specialty restaurants, ordered on four out of 10 occasions by both children and teens. In comparison, this menu item had a significantly lower order frequency among all respondents—17.4 percent. In addition, children and teens showed a preference for fish and seafood entrees at this restaurant type—ordered on 10.8 percent and 12.7 percent of occasions. Seafood was the most frequently-ordered fish and seafood entree at atmosphere/specialty restaurants, ordered on 5.1 percent of occasions by children and on 8.6 percent by teens. In comparison, the order frequency for this menu item was considerably higher among all individuals interviewed—13.8 percent. Fried fish was also ordered frequently at the evening meal by children and teens—4.8 percent and 4.1 percent of occasions, respectively.

Salads surpassed french fries as the most popular side dish with the evening meal at atmosphere/specialty restaurants, contrary to the pattern at fast food and family restaurants. Salads were ordered on 16.4 percent of occasions by children and on 26.0 percent of occasions by teens. Howeyer, this menu item was ordered on a considerably larger share of occasions by all CREST families—43.1 percent. Children ordered french fries on 16.0 percent of supper occasions at this restaurant type while teens did so on 15.5 percent of occasions. In comparison, french fries were ordered on a somewhat smaller share, 11.5 percent, of occasions by all respondents.

Children and teens continued to show a preference for soft drinks as this was the most popular supper beverage at atmosphere/specialty restaurants. Soft drinks were ordered on 43.4 percent of occasions by children, similar to that for teens—43.5 percent. However, the order frequency for this beverage was significantly smaller among all individuals interviewed—16.1 percent.

Ice cream was the most frequently-ordered dessert item at the evening meal at atmosphere/specialty restaurants by the 12 and under and 13 to 17 age groups—ordered on 5.8 percent and 4.2 percent of occasions, respectively. This is similar to the proportion for all respondents—5.0 percent. Cake or pastry followed in popularity—ordered on 1.4 percent and 3.5 percent of occasions by children and teens, respectively. In comparison, this item was ordered on 2.7 percent of occasions by all CREST families.

Editor's Note: *For ideas on how to develop a separate menu for children read the next (December, 1982) issue of NRA News.*

CREST REPORT

CREST Highlights

- **Customer traffic at the nation's restaurants declined slightly, 0.3 percent, in the summer quarter, marking the second consecutive quarter of decline.**
- **CREST data indicate that fewer families were eating away from home during the June-July-August period, and that they were eating out less often as well.**
- **CREST industry sales posted a modest 1.3 percent advance in the summer quarter from the same period in 1981, following a 2.6 percent gain in the previous spring quarter.**
- **The use of promotions continued to increase—10.0 percent of meal occasions involved a promotion during the summer CREST quarter, up from 8.1 percent during the same three-month period in 1981.**
- **Fast food and atmosphere/specialty restaurants posted traffic gains in the June-July-August period—4.0 percent and 3.4 percent, respectively. However, customer counts fell at family and take-out restaurants as well as at cafeterias and coffee shops.**
- **Supper was the only meal period to post an increase in traffic during the summer quarter—up 1.2 percent.**
- **Breakfast, which has experienced growth in traffic in all but one of the past 11 quarters, recorded a 1.9 percent decline in the most recent CREST period.**

Customer traffic off slightly in summer quarter

Customer traffic at the nation's restaurants declined slightly in the summer quarter, marking the second consecutive period of decline. According to CREST data, customer counts fell 0.3 percent during the summer quarter—June, July, August—from the same three-month period in 1981. Although this is somewhat better than the 0.7 percent decline in the spring quarter, it is substantially below the performance in the winter and fall CREST quarters when traffic rose 5.2 percent and 0.8 percent, respectively.

Gallup's "Monthly Monitor of Eating Out," which also tracks consumer behavior in the eating away from home market, reported similar findings for the three-month period. An average of 34 percent of the people surveyed in Gallup's June, July and August surveys reported eating out at least once during the preceding day—down from 37 percent during the same period in 1981.

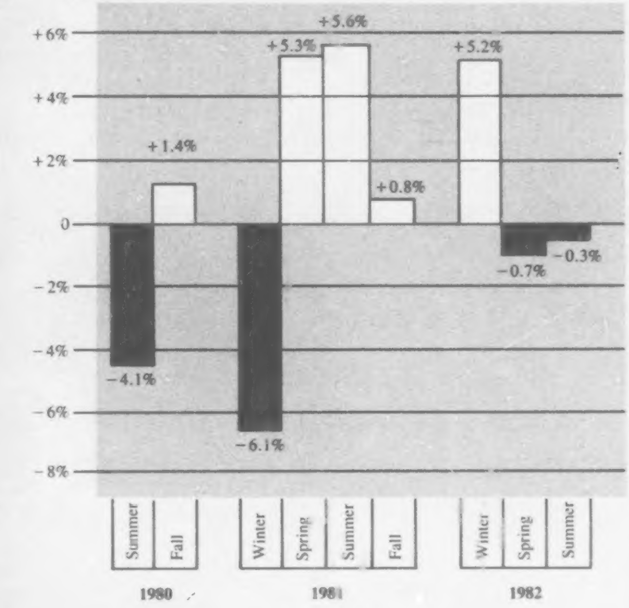
The high level of unemployment compounded by the continuing recession most likely caused consumers to cut back on their number of restaurant visits during the summer quarter. In addition, travel and tourism was down during June, July and August, a factor contributing to the decline in traffic.

However, the climate for consumer spending may improve during the remainder of this year due to the lower rate of inflation, declining interest rates and gains in disposable personal income. As a result, economic performance should improve somewhat, but the recovery will not be as strong as experienced in previous post-recession years.

NRA has revised its eating place sales forecast for 1982 due to the lower rate of inflation and the lagging economy. Eating places are projected to experience positive real growth of 2.0 percent in 1982—following a real gain of one percent in 1981. (See "Foodservice Trends" section of October, 1982 ***NRA NEWS***.)

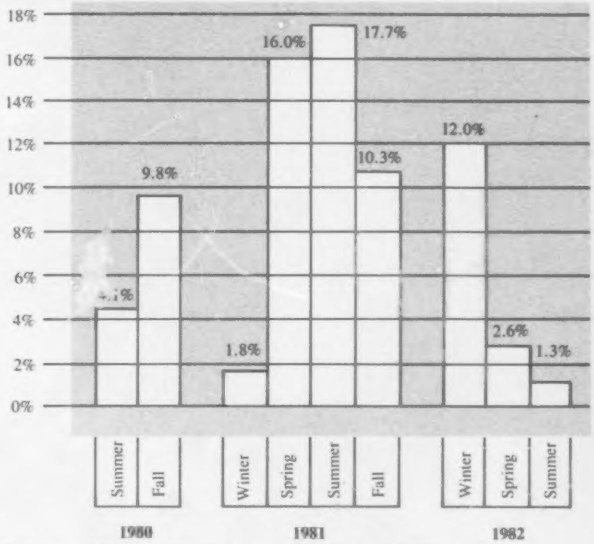
The following CREST data can be useful to restaurateurs as a base of comparison for their operations with industry performance nationally as well as with performance within their specific restaurant category, such as fast food or family restaurants. CREST data can also help monitor performance for specific meal periods. More detailed CREST information is available to NRA members through the research and information services department of the National Restaurant Association, 311 First St., N.W., Washington, DC 20001.

Percent change in quarterly customer traffic
(Summer '80 - Summer '82)



Note: *Percent change is from same quarter the year before.*
Source: *CREST, NPD Research, Inc.*

Percent change in quarterly CREST sales*
(Summer '80 - Summer '82)



**Sales based on total U.S.; average for two-week period each quarter.*
Note: *Percent change is from same quarter the year before.*
Source: *CREST, NPD Research, Inc.*

Families dining out less often. . .

The average number of times families visited restaurants—visit frequency—fell 1.6 percent in the summer quarter from the same period a year ago. The proportion of families in the eating away from home market declined as well, also contributing to the drop in traffic.

An analysis of visit frequency by restaurant type shows that cafeterias experienced the largest decline of any restaurant category during the most recent CREST period—down 7.2 percent. Family restaurants follow with a 4.2 percent decrease. In comparison, visit frequency was off only slightly at fast food and take out restaurants—down 0.4 percent for each group. In contrast, coffee shops and atmosphere/specialty restaurants recorded gains of 1.3 percent and 0.7 percent, respectively.

Restaurant sales up 1.3 percent. . .

CREST sales posted meager growth during the June-July-August period for the second consecutive quarter. Sales rose 1.3 percent in the summer quarter from the same period in 1981. This compares with a 2.6 percent increase in the spring quarter and stronger gains of 12.0 percent and 10.3 percent in the winter and fall quarters.

The average expenditure for a restaurant meal or snack—per person check size—continued to moderate in the summer quarter—up only 1.5 percent. In comparison, the average check rose 3.3 percent in the spring quarter and was up a more rapid 6.3 percent in the winter quarter. In addition, the 1.5 percent increase in the most recent CREST quarter is well below the 5.2 percent rise in menu prices as measured by the Consumer Price Index (CPI) for food away from home during the three-month period. The CREST figures reflect price discounts as well as the fact that consumers may be ordering fewer items or ordering lower priced menu items.

Promotion usage continues at high level. . .

Restaurant operators are continuing to use promotions as a means of building customer traffic. In the summer quarter 10.0 percent of the meal occasions involved a promotion—up from 8.1 percent during the same three-month period in 1981. However, promotional usage is down somewhat from the 11.6 percent level reached during last year's spring quarter.

An analysis of promotional usage by restaurant type shows that, as in the past, fast food and family restaurants use promotions more frequently than other restaurant types. Promotions were used on 12.5 percent of meal occasions at fast food restaurants—up from 9.9 percent during the same period a year ago. Promotional usage at family restaurants increased from 8.4 percent of occasions in the 1981 summer quarter to 9.6 percent in the most recent CREST period.

Traffic increases at fast food and atmosphere/specialty restaurants. . .

Fast food and atmosphere/specialty restaurants posted gains in traffic in the summer quarter. However, customer counts declined at family and take-out restaurants as well as at cafeterias and coffee shops.

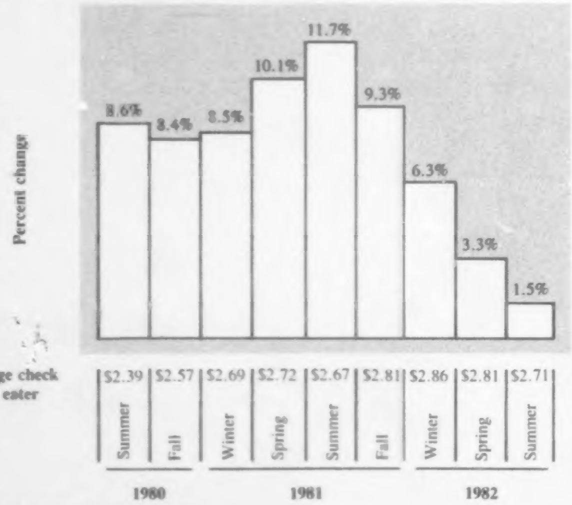
Traffic rose 4.0 percent at fast food restaurants in the summer quarter from the same period in 1981, following a somewhat slower, 1.5 percent, advance in the previous quarter. An increase in the number of families eating at this restaurant type as well as a rise in party size (the average number of persons per eater occasion) account for the rise in traffic.

The per person check size rose a moderate 1.6 percent at fast food restaurants during the most recent CREST period, similar to the 1.5 percent increase for all restaurants. Promotions were used heavily at this restaurant type in the summer quarter—on 12.5 percent of occasions. These factors may have led some consumers to perceive a favorable price/value relationship for a meal at a fast food restaurant, contributing to the rise in customer counts. In addition, consumers may have been 'trading down' during the summer months, which also may have contributed to the above average rise in traffic at fast food restaurants.

Atmosphere/specialty restaurants posted a 3.4 percent gain in customer traffic during the June, July, August quarter from the same three-month period in 1981. This compares with a 5.4 percent decrease recorded in the previous spring quarter. An increase in the number of visits by families to this restaurant type as well as a rise in party size account for the gain in customer traffic.

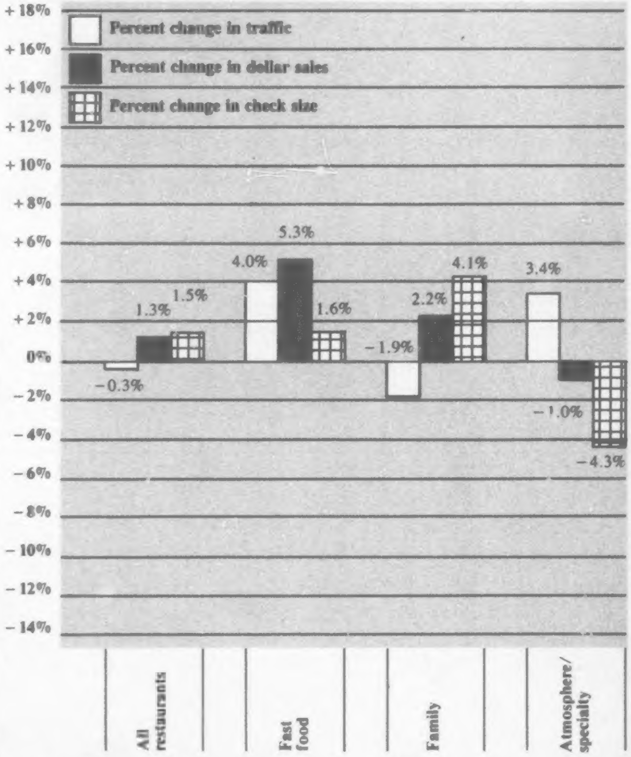
The per person check size at atmosphere/specialty restaurants declined 4.3 percent in the summer quarter from the same period a year ago. Promotions were used on 10.3 percent of occasions at this restaurant type—up from 7.8 percent

Average per person check*
(Summer '80 - Summer '82)



*Based on average two-week period.
Note: *Percent change is from same quarter the year before.*
Source: *CREST, NPD Research, Inc.*

Summer quarter performance by select restaurant type



Note: *Percent change is from same quarter the year before.*
Source: *CREST, NPD Research, Inc.*

during the same three-month period in 1981. These factors most likely led some consumers to perceive a favorable price/value relationship for a meal at an atmosphere/specialty restaurant and contributed to the above-average rise in traffic.

Customer counts fell 1.9 percent at family restaurants during the summer quarter from the same period a year ago, following an increase of 4.8 percent in the spring quarter. Visit frequency was down at this restaurant type as was the proportion of families dining out, accounting for the drop in traffic.

The per person check size at family restaurants rose an above average 4.1 percent during the most recent CREST period. This compares with a 1.5 percent increase for all restaurants. Promotions were used on 9.6 percent of occasions at this restaurant type in the summer quarter.

Take-out restaurants, coffee shops and cafeterias also posted traffic declines in the most recent CREST quarter. The decrease in customer counts for these restaurant categories can be attributed to fewer families eating out. In addition, take-out restaurants and cafeterias experienced a decline in visit frequency during the summer quarter, contributing to the drop in traffic.

Customer counts up at supper. . .

Supper was the only meal occasion to post an increase in customer counts in the most recent CREST quarter. Traffic was up 1.2 percent at this meal period from the same quarter in 1981 and follows a somewhat stronger, 2.7 percent, increase in the spring quarter. An increase in the proportion of families eating out at this meal period as well as a rise in party size accounts for the rise in traffic.

The per person check size at the evening meal remained unchanged in the June-July-August quarter from the same three-month period a year ago. Promotional usage was heavy at this meal period in the summer quarter—14.1 percent of occasions versus 12.0 percent in the same quarter in the prior year.

Breakfast, which has experienced growth in traffic in all but one of the past 11 quarters, recorded a decline in the most recent CREST period. Customer counts fell 1.9 percent in the summer quarter from the same period a year ago, following a gain of 1.2 percent in the previous CREST period. Visit frequency was down at this meal occasion as was the proportion of families dining out, and this accounts for the decline in traffic. Breakfast is the most discretionary meal to eat away from home, and the current high level of unemployment along with the continuing recession may have caused more consumers to eat breakfast at home.

Lunch traffic was off slightly—0.3 percent—in the summer quarter, but this drop is an improvement over the 3.1 percent decline in the spring quarter. Visit frequency was down at this meal period as was the proportion of individuals eating out, accounting for the drop in traffic. High unemployment probably resulted in fewer people finding it necessary to eat away from home.

The per person check size at the mid-day meal rose an above average 2.7 percent in the most recent CREST quarter. Promotions were used on 8.6 percent of lunch occasions—up from 7.0 percent during the same quarter in 1981.

Snacking occasions recorded a 1.5 percent decrease in customer counts in the summer quarter from the same three-month period the year before, following a 2.8 percent drop in the spring quarter. Fewer families were snacking away from home during June-July-August—accounting for the drop in traffic.

What is CREST?

Launched in September 1975, the CREST (Consumer Reports on Eating Share Trends) survey is designed to track expenditures and behavior in the commercial segment of the foodservice industry. While the study does track chain trends, it contains a great deal more data, including information by type and classification of restaurant and also by meal or snack period.

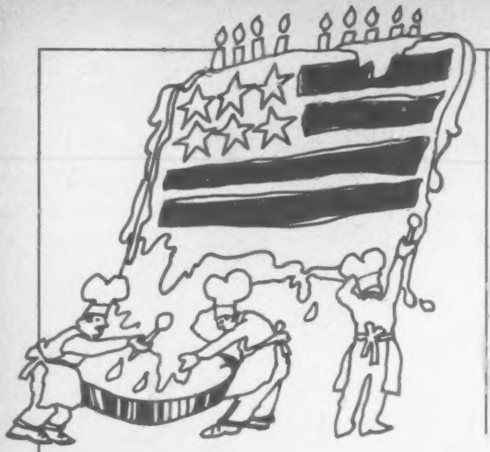
Some 10,000 families, or approximately 30,000 persons, participate in the study. They have been selected to represent the demographic patterns in the U.S. Each family is asked to record restaurant experiences for a particular two-week period for each of the four quarters during the year. Because the study is repetitive, it creates an excellent opportunity to follow changing trends.

In order to properly complete the CREST diary, several steps are involved. Step 1 requires that each household member make a daily entry for each meal during the two-week period. Whenever the code for restaurant purchases appears, the participant is asked to elaborate on the occasion by making further entries in the diary.

The second portion of the diary is used only if a household member ate or obtained food prepared away from home in establishments such as restaurants, hotels and motels, fast food/drive-ins, delicatessens, refreshment stands, carryouts, coffee shops, donut shops, ice cream shops or eating places inside variety stores or other retail stores. The diary will not include any meals eaten at schools, hospitals, colleges, or other institutional feeding places. When the two-week reporting period is complete, the diary is returned to NPD Research, Inc.

The CREST study is a joint effort of individual foodservice organizations acting in concert to fund a study perhaps beyond the economic reach of any of the individual participants. NRA is solely a participant in this study and not a sponsor. Readers wishing more information on how to participate in the CREST study should contact NPD Research, Inc., 9801 West Higgins Road, Rosemont, IL 60081.

The CREST study is designed to provide information on customer behavior, not attitudes. This study will, therefore, provide the user with information on how much people spend, where they spend, what they spend on and so forth. It will not tell people's attitudes toward a particular issue. Because it is an ongoing study, it will allow comparison against a standard—and aid in the development of trend analysis. This enables the operator to make decisions based on documented trends rather than on casual observation.



The world's largest birthday cake

Did you ever want to say happy birthday to someone in a really big way and couldn't think of how to do it? How about this: An 81,982 pound birthday cake? That's how more than 200 Atlantic City chefs and the Academy of Culinary Arts celebrated the nation's birthday this summer.

The 216 1/2 foot long and 127 1/2 foot wide cake in the shape of a U.S. flag took 14 hours to construct. This gigantic cake was the equivalent of 8,500 sheet cakes topped by nearly 31,000 pounds of icing.

Portions of the completed cake were sold to thousands of spectators and visitors to Atlantic City. The remainder of the cake was donated to local hospitals and public facilities.

Now that's how to say happy birthday!

Academy of Culinary Arts

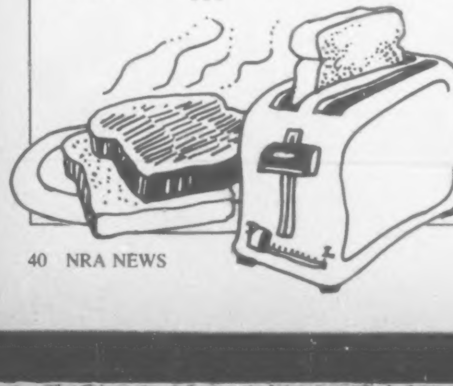
HALF BAKED

Some like it light

Toast: Some like it light, some like it dark and everyone likes it hot; but it's hard to keep it that way. Unless, of course, you give the customers a toaster and let them toast the bread themselves. And that's exactly what the Big Three Fountain restaurant in Boyles Hot Springs, CA does.

The 100-seat restaurant is open for breakfast and lunch from 7 a.m. to 3 p.m. on weekdays and 8 a.m. to 3 p.m. on weekends. About half the tables have 1950s vintage toasters on them. Customers can choose from seven different kinds of bread—nine grain, sour dough, rye, English muffins, whole wheat, white and raisin—with an assortment of jams. (Many people come in for just toast and coffee.)

"Some customers like to eat their toast while they are waiting for their breakfasts to arrive and others prefer to have toast afterwards. Having them make it themselves is one sure way to guarantee that the bread is the way they want to eat it. So everyone—from the person who likes his toast burnt to the one who just likes it slightly heated—is happy." *NRA NEWS interview*



Let it all hang out

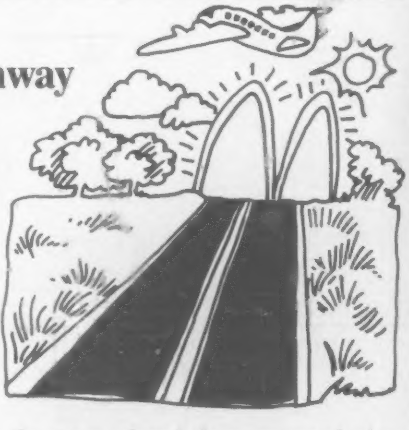
Most restaurateurs, when they receive a bad review from a restaurant critic, want to buy up all the newspapers and hide them so the public never has a chance to see the review. Not so with the Lettuce Entertain You Enterprises in Chicago, IL. The chain published its 10 worst reviews in conjunction with other ads as part of their 10th anniversary celebration.

Michael Jaye, director of public relations and promotions for Lettuce Entertain You, said publishing the worst reviews with other ads that "poke fun at ourselves" had a positive effect rather than a negative one on the chain's business.

"We tend not to react defensively to a negative review," says Jaye. "We take a look at what the reviewer is saying and we act rather than react. If a review is negative, the best way to combat it is by stirring up word of mouth comments that are positive."

NRA NEWS interview

Golden arches on the runway



A TWA flight en route to New York from Kansas City made an unscheduled stop at Washington's Dulles Airport to wait for a storm to pass over the New York area. The all clear signal took longer than the crew had anticipated, and the plane sat on the runway for hours. As a result, the passengers became restless and hungry and demanded food from the flight attendants. Airline personnel thought nothing could be done because there was no food on board and the airport caterers had closed for the evening.

But there was a solution: Send out for McDonald's! A nearby McDonald's was still open and an S.O.S. order went out for 600 hamburgers. Another aircraft, also forced down by the storm, shared champagne and wine to complement the meal.

"We often get accused of being inconsiderate in these situations, but we think we did the best that can be expected," TWA public affairs director David Venz told a reporter.

Nation's Restaurant News

NRA SEMINAR SCHEDULE

Simplified Baking Workshop

Nov. 18	Boston, MA

Banquets & Buffets

1983 Jan. 31-Feb. 1	Los Angeles, CA

Bar Management

Nov. 15-17	Boston, MA
Dec. 6-8	New Orleans, LA
1983 Jan. 24-26	Portland, OR

Controlling Beverage Costs

Nov. 16	Charleston, WV
1983 Jan. 19	Sacramento, CA

Off-Premise Catering

Nov. 29-30	Los Angeles, CA

Dining Room Management

Nov. 17	Milwaukee, WI
Dec. 6	Fresno, CA
1983 Jan. 17	Baton Rouge, LA
1983 Jan. 20	Albuquerque, NM

Hiring Hourly Employees

Dec. 6	Albuquerque, NM
1983 Jan. 11	Oklahoma City, OK

Preparing a Successful Employee Manual

Nov. 22-23	Las Vegas, NV

Eyeing, Buying and Selling Fish & Seafood

1983 Jan. 24	Mobile, AL
1983 Jan. 26	Shreveport, LA

Controlling Food Costs

Nov. 15	Charleston, SC

Kitchen Management

Nov. 16	Washington, DC
Nov. 22	Williamsburg, VA

Location! Location! Location! How To Successfully Negotiate and Finance Your New Operation

1983 Jan. 26-27	Washington, DC

Controlling Labor Costs

Dec. 7	Atlantic City, NJ

Practical Meat Workshop

Nov. 23	Richmond, VA

Menu Development

Nov. 15	Bangor, ME
Nov. 17	Manchester, NH
Nov. 30	Salt Lake City, UT
Dec. 2	Las Vegas, NV

Creative Merchandising Techniques

Dec. 9	Atlanta, GA
1983 Jan. 27	Dallas, TX

Operational Analysis

Dec. 8-9	Phoenix, AZ
1983 Jan. 17-18	San Jose, CA

Performance Review

Dec. 7	Albuquerque, NM

Improving Food Production Methods

1983 Jan. 25	Charlotte, NC
1983 Jan. 27	Savannah, GA

Super Salads

Dec. 7	Detroit, MI
Dec. 9	Chicago, IL

Basic Supervision

Nov. 16	Chicago, IL

Las Vegas Tableservice Conference

~~1983~~ Jan. 9-13	Las Vegas, NV

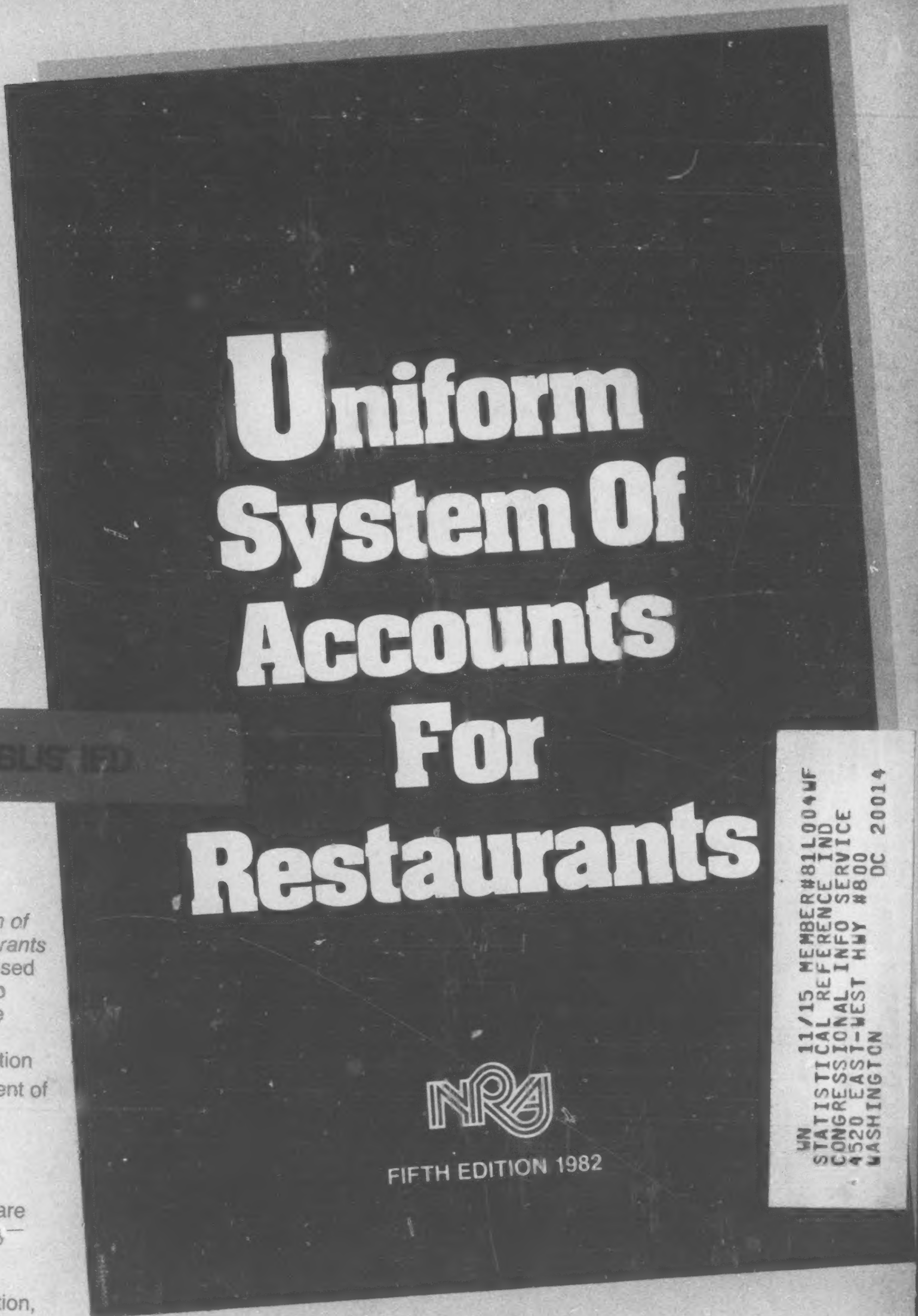
How to Turn Your Restaurant Business Into a Private Tax Shelter

Nov. 17-18	Honolulu, HI
Dec. 6-7	St. Louis, MO

Wine Merchandising and Training

1983 Jan. 17	New York, NY

For more information, contact NRA's seminar department, 311 First St., NW, Washington, DC 20001; call (202) 638-6100 or (800) 424-5156.


Uniform System Of Accounts For Restaurants
NRA
FIFTH EDITION 1982

JUST PUBLISHED

The *Uniform System of Accounts for Restaurants* is back in a new revised edition. Learn how to

- Prepare a balance sheet for your foodservice operation
- Develop a statement of income
- Systematize your controls.

Sample procedures are detailed for your easy reference.

For ordering information, contact NRA's educational materials center.

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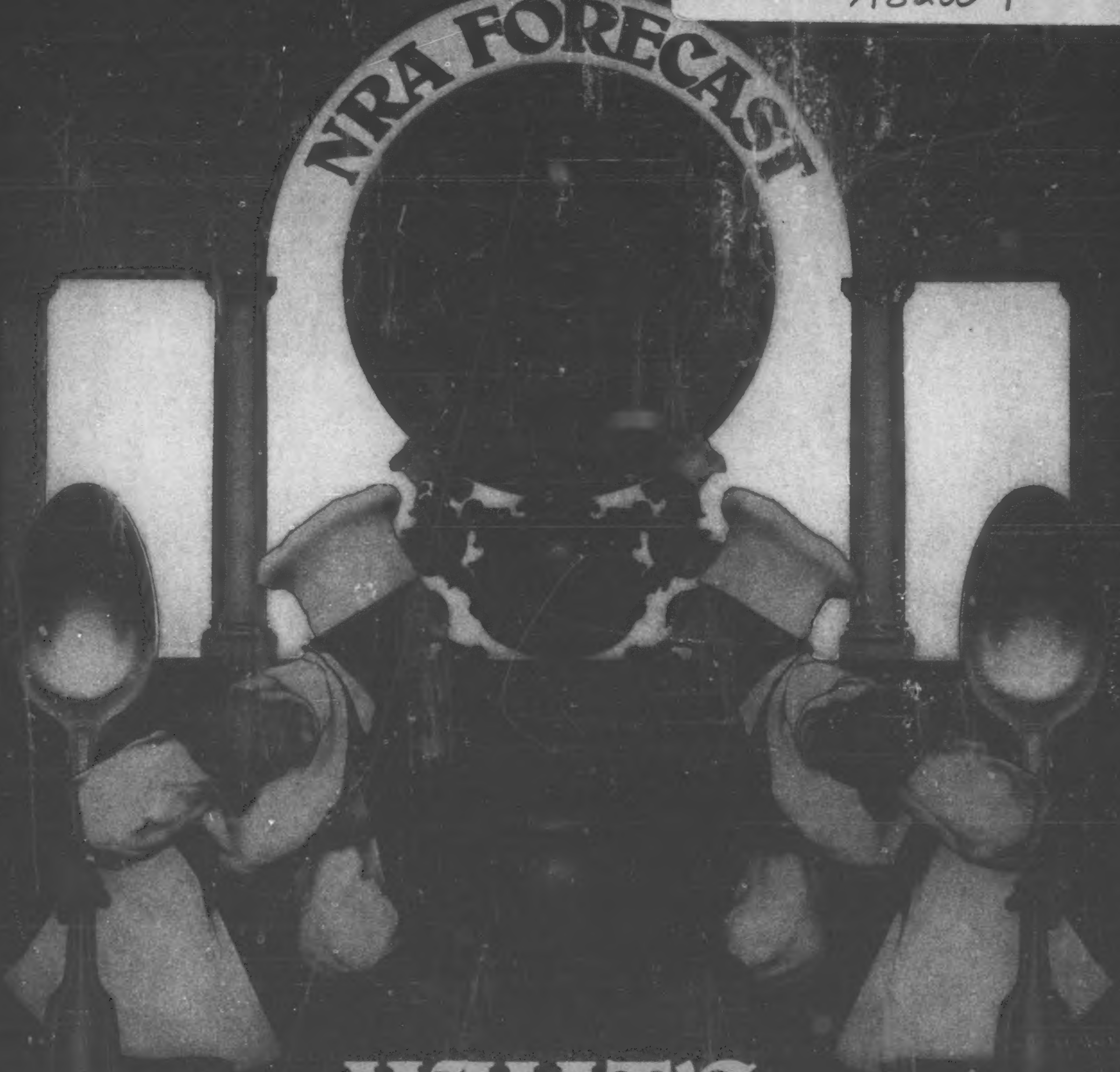
NRA FORECAST

WHAT'S BREWING IN 1983?

The forecast for the industry is bright for 1983 and beyond

This issue of *NRA News* contains NRA's annual economic forecast for the foodservice industry. Although the country's economic prob[illegible]rsist, the news for 1983 is good. Next year, the industry should see a two percent [illegible] in sales measured in real dollars.

NRA researchers predict modest improvement continuing throughout the year. The best news is that inflation will continue to moderate. Therefore, the foodservice industry can expect a more modest increase in menu prices than we have experienced prior to 1982.

Our favorable forecast for 1983 is based on the likelihood of increased demand—even need—for meals away from home. Particularly during the last half of the year as the economy recovers, more money should be spent in foodservice outlets.

Good planning for restaurateurs requires long-range knowledge of the economic picture. NRA tries to help you plan by presenting this annual forecast.

This is a good time to think about improving the quality of your food and service. Early next year, NRA will release a survey which shows that our customers have high expectations. This is true in regard to all types of restaurants, but consumer expectations increase with the cost of the meal.

Customers expect properly cooked food attractively presented, friendly and efficient service as well as clean and comfortable surroundings. They mentioned those qualities in just that order on our survey.

Next year, restaurants which supply quality food, service and surroundings should experience marked sales growth. 1983 will be a year when creativity and hard work will pay off.

Harris "Bud" Rusitzky

Harris "Bud" Rusitzky

Chairman, NRA Education and Research Committee

NRA NEWS

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Cover Story

This issue presents NRA's annual forecast for the foodservice industry—and the outlook looks promising not only for 1983 but also for the years beyond. For a look at the details and reasons behind this optimistic assessment, turn to the special section of "Foodservice Trends." Highlights include sales predictions for all segments of the industry and a state by state forecast.

6 1982 may be remembered in the foodservice industry as the year of the cruvinet—wine on tap—and the ratfish—attempts to make unappetizing-sounding fish more palatable to the consumer.

9 NRA's 1983 forecast. (*Foodservice Trends*)

Specials

Catering 3 Restaurateur interest in off-premise catering is growing because of the promise of increased sales without new overhead. For an overview of the field, read "Off-premise catering: Frontier for restaurateurs." Don't miss the box of 10 catering caveats.

Children's Menus 38 Children's menus—they are a lot of fun to create and they can add to customer traffic and bottom-line profits. "Children's Menus are more than just toys" takes a case-study look at several award-winning menus.

Departments

Short Orders 2 Winners in the 1983 NRA Great Menu Contest will be reproduced in a menu book that will include commentary.

Washington Report 33 1982 legislation in review.

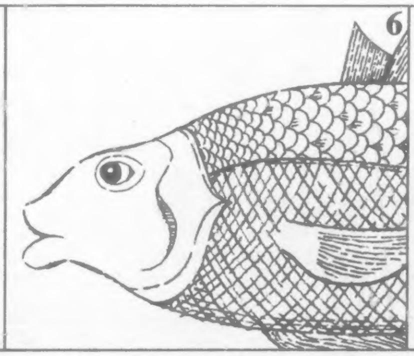
The Board Room 36 The MUFSO (Multi-Unit Foodservice Operators) Conference featured several NRA board members as speakers.

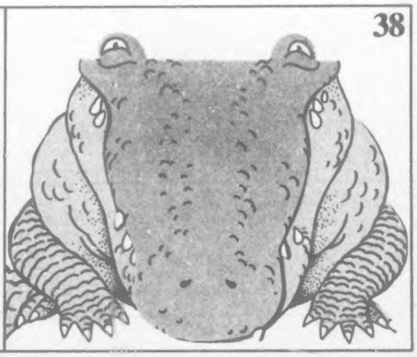
State Department 37 State bills are being followed with greater precision, thanks to NRA's new computerized reporting system.

Next Month:

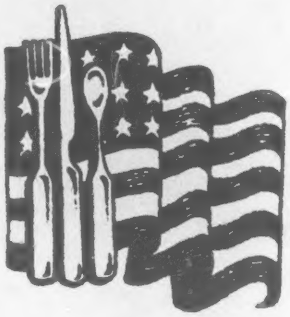
- New Year's resolutions: 10 steps to operational success
- What it takes to get a restaurant started

Cover art: *"Two pastry cooks: Blue hose and Yellow hose;" 1924 oil painting by Maxwell Parrish. Reprinted with permission of owner Trevor C. Roberts, Burlingame, CA.*





SHORT ORDER



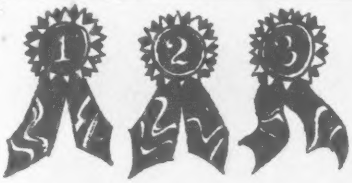
NRA NEWS follow-up: election results

When the election votes were tallied on November 2, seven of the 12 restaurateurs featured in "Restaurateurs running for public office" in the September issue of *NRA NEWS* found themselves in public office. The four new members of the state legislature include Fred Aiken of Alfredo's Restaurant in Dallas, GA; Douglas J. Baker of the Sugar House Motor Inn and Restaurant in Middleburg, VT and the New Haven Motor Inn near Vergennes, VT; Aaron W. Plyler of the Hill Top Restaurant in Monroe, NC; and Gerard Powers of Sunnyville Restaurant in Ossipee, NH.

Continuing in state office are William G. Rector of Owl Inn Restaurant in Cheyenne, WY; and Ben Vidricksen of Vidricksen's Food Services in Salina, KS. Terry Curtola of Terry's Restaurant in Vallejo, CA, remains as mayor.

The new restaurateur/legislators were asked about their priorities now that they've been elected to office. Aiken of Georgia responded, "I want to save Georgia thousands of dollars by changing auto tag deadlines to coincide with individual birthdates. This will eliminate hiring extra people and long waiting lines involved in the existing deadline." Douglas Baker of Vermont said, "My priorities include involvement in the areas of agriculture, traffic regulation, health and welfare." Aaron Plyler of North Carolina said, "My first priority is keeping the budget balanced. Education, criminal laws, travel and tourism are also priority items." Gerard Powers of New Hampshire stated that his first priority is "introducing a bill to allow our town to lease property from the state for 25 to 30 years to protect the water supply."

Great Menu Contest: Winners will be published in book



Menus are the most important form of communication a restaurateur has with his customers. That is why the National Restaurant Association takes such pride in its Great Menu Contest. For 20 years the contest has recognized outstanding achievement in menu design, conceptualization and merchandising. NRA members have been able to share their expertise and skill and to learn from their collegues.

This year the educational value of the Great Menu Contest will be enhanced even further. The contest has been reorganized to increase the effectiveness of the judging procedures and to single out outstanding achievement by the awarding of grand prizes.

In addition, each firm that enters the contest will receive a book of black and white reproductions of the winning entries accompanied by appropriate commentary. This book will not only honor the winners but also will allow all NRA members to learn from the prize-winning menus. The cost of publishing the book will be covered, in part, by the $10 entry fee assessed all contest participants.

The deadline for entering NRA's Great Menu Contest is February 28, 1983. For inspirational ideas, see the article in this issue on children's menus. It features last year's winners in that category.

University of MD starts Ph.D. program in foodservice

The Department of Food, Nutrition and Institutional Administration at the University of Maryland announces a new Ph.D. program with options in

- **food:** food chemistry, culture and food related behavior, experimental foods
- **institution administration:** operations management, personnel management and training, facilities planning and development
- **nutrition:** clinical nutrition, community nutrition, nutritonal education, research.

Master's degree programs are also available in these areas.

For further information, contact Elizabeth S. Prather, Ph.D., Chairperson, Department of Food, Nutrition and Institutional Administration, University of Maryland, College Park, MD 20742, (301) 454-2139.

OFF PREMISE CATERING:

Frontier for Restaurateurs

Off-premise catering provides a one-of-a-kind opportunity for you to increase profit without significantly expanding overhead costs. It could also give you an opportunity to enhance the reputation of your restaurant and increase its exposure.

In this article *John E. Mossman*, owner of Mossman Catering, gives an overview of the catering field—gleaned from more than 25 years in the business.

Most catering businesses grow out of restaurants or delicatessens. The typical caterer begins when his restaurant customers ask if he would help them with a party that they have in mind. From this nervous beginning, the caterer discovers new sales without new overhead. The money looks good and the compliments seem to be beneficial for the restaurant. Soon this sideline becomes a regular business, maybe even grows to the point where there is a separate staff in the kitchen dedicated just to catering.

Although there is no clear-cut definition of what an off-premise caterer is, I define off-premise catering as the serving of food and/or beverages away from the production kitchen.

Not always glamorous, but profitable. . .

All caterers like to remember and talk about the big parties they have served. Day in and day out catering, however, is seldom big and flashy. It may be serving dinner for 50 or 100 people during a wedding reception, preparing a party tray of cold sliced meats and cheeses to be served by the customer to a few guests who have been invited to an open house, or supplying coffee and Danish for a ground breaking or box lunches for a chartered bus trip to the races. In short, catering is meeting the needs of a diverse group of customers in a variety of circumstances.

Because of the many variables encountered in catering, the market is dominated by local independent operators. Large foodservice companies often don't have the flexibility to alter their standard programs and menus to meet the needs of the local catering customer.

Specialty areas common. . .

Caterers tend to develop an area of specialty that represents a significant portion of their business. Al's Custom Catering in Minneapolis, MN, for example, has established quite a business serving executives on corporate jets. Owner Al Elias

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often has only two hours' notice from a pilot to prepare a fanciful dinner for four—to be served enroute. Elias has learned the value of keeping records of what his frequently-traveling executive customers like and, more importantly, don't like for dinner.

D. Allen Went, Tower Catering in Ardmore, OK, is typical of caterers in smaller towns. Although he specializes in bar-b-ques, he also serves church dinners, local meetings and lunches in nearby factories. He has developed quite a business at Christmas with whole hams and turkeys that his customers buy and distribute as gifts.

Corporate catering is another field that can be conducive to off-premise catering. Catered lunches for all-day meetings is a mainstay of many a successful catering business. These lunches need not be gourmet displays. Wholesome, simply-prepared foods often work best because executives can continue their discussions and not be concerned with the etiquette of eating an elaborate meal.

Catering is more than dinner. . .

The successful caterer sells a party, not just a dinner. This doesn't mean that the successful caterer always provides tents and strolling violins (although occasionally he may be asked to). It does mean that he has considered all the elements that can spoil the good feeling of guests, and he has a plan to prevent those from happening. Like a supporting character in a theatrical presentation, the caterer is there to bolster the star of the party, the host or hostess. The caterer's job is to fine tune the details of the party so that the overall goal is met and the star appears at his or her best. That is why time spent discovering wants and needs always pays off.

10 catering caveats

1. A caterer should only do what he does well.
2. In addition to outstanding food, a successful caterer needs personal charm and administrative and merchandising know how.
3. For most people, how food looks influences how it tastes.
4. A rule of thumb: Prepare food on location but cook as much of the meal as possible on-site.
5. Catering profits tend to increase in direct proportion to volume.
6. Equipment does not create sales. With a little ingenuity you can usually develop an alternate method of using the equipment you have.
7. Since a restaurateur already has such fixed expenses as equipment, labor and utilities, catering sales can produce additional profit at higher margins.
8. Mottos for the newcomer: "Expect the worst" and "expect to be blamed for anything that goes wrong at the party."
9. Always contact customers the day after the party was held to solicit their reaction. Record their answer to the question—"If you were to serve this party again tomorrow, what changes would you make?"
10. Charitable organizations should receive your donations in cash. Always sell your food and services at your regular prices, since discounted parties rarely create new sales for a caterer.

Some things cannot be planned, however, so dealing with the uncontrollable is something to be expected. Unlike the dining room operator who has the kitchen just a few steps away from the guests, the caterer has often left his kitchen an hour or so earlier, miles away from his customer's table. Without good detailed planning the unforseen can really be devastating. One example of what can typically go wrong will underscore the importance of this step. Lewis Guienot of Epicurean Foods in Houma, LA, experienced one of the things all caterers fear when he was prepared one night to serve steaks just off the bar-b-que pit. He had been assured that dinner would be served at exactly 7:05, and his servers were ready and entering the dining room when he heard the master of ceremonies say, "Hold the servers for just a minute longer while I introduce one more person." Forty-five minutes later, the M.C. finished his introduction, and Guienot was forced to serve cold steaks and a tired dinner.

Fortunately all the dinner guests saw what happened, so they empathized with the caterer. But usually a caterer can expect to be blamed for anything that goes wrong.

Food quality key. . .

The quality of food served is far more important to the caterer than it is to the dining room operator, who has a location to create sales for him. Many caterers make their reputation with imaginative menus, featuring fresh quality ingredients, elegantly presented.

In addition to superb food, caterers have other strong selling points: They can customize a menu to suit an occasion, present many different styles of service, adapt their service to budget ranges and structure an occasion to meet the needs of a client.

Some caterers can even create the event. Miles Theurich of Theurich Catering located in the outskirts of Milwaukee, WI, area is a master of providing a touch of romance to conventions. His dinner buffet called "a kaliedescope of ethnic Wisconsin" features foods from the different heritages that make Milwaukee a special eating town. Each station is manned by a server whose costume is native to the country represented by the food.

Catering is the art of making do with what you have. Rarely is the caterer able to buy all the equipment that he would like to own, but the equipment does not create sales. Knowing the abilities of your recipes, your equipment and your people is absolutely essential in the catering business. This knowledge, plus a little ingenuity, can usually help you develop a plan to meet the needs of a new situation. William Horan of Colonial-Jettons Catering in Fort Worth, TX, stretched these complicated abilities to the limit when he was called on to cater four meals in three days to 10,000 people—all in the Dallas Stadium, which has no food facilities.

Some common misconceptions. . .

Every caterer is looking for some formula to tell him how to price his services. Some caterers, following the standards of a restaurant, have decided to calculate food costs between 15 to 30 percent of selling price. I have found, however, that each type of party calls for a different cost basis. The costs are different, for example if a customer needs food for 50 people and picks up the food himself versus one who has hired us to deliver and serve dinner to 50 people. Standardized food costs, therefore, tend to be a poor yardstick for pricing. My rule for pricing catering services is that all direct costs may not exceed 50 percent of the sale price. These direct costs include labor, supplies, food and anything else needed for a particular party.

Tips for attracting new customers

■ Advertising

1. The last party you serve is your best advertisement. So make sure your food is tasty and the service appropriate.
2. The yellow pages are the most consistently effective advertising medium for caterers.
3. Descriptive brochures will save much telephone time and help your customers know the extent of your catering service.

■ The sales call

1. When calling on prospective customers, take along a sample tray of snacks, desserts or canapes. It is a low-cost way to insure getting by the secretary to the boss to present your company. It also suggests that you are proud of your food.
2. Ask questions so you can develop an appropriate plan for the party. Knowing the customer's wants and needs is essential before you can quote prices. Some questions you may want to ask include: Who is attending the party? Why is the party being held? What time will guests arrive and leave? Will there be a bar before dinner? What time is dinner to be served? What are the seating arrangements—will there be a head table, reserved or open seating? Is there a theme to the party? What happened the last time the party was held?
3. Tell the customer about your policies and procedures to avoid any ill will or confusion. Areas to cover include guarantees, methods of determining head counts, left-over policy and so forth.

Probably the most common mistake that caterers just entering the field make is that they underestimate the importance of word-of-mouth advertising. This is more important than the kitchen location, equipment or the media campaign. A caterer is only as good as his last party because each party can be a source of another party—whether it is catering a coffee break or an elaborate dinner.

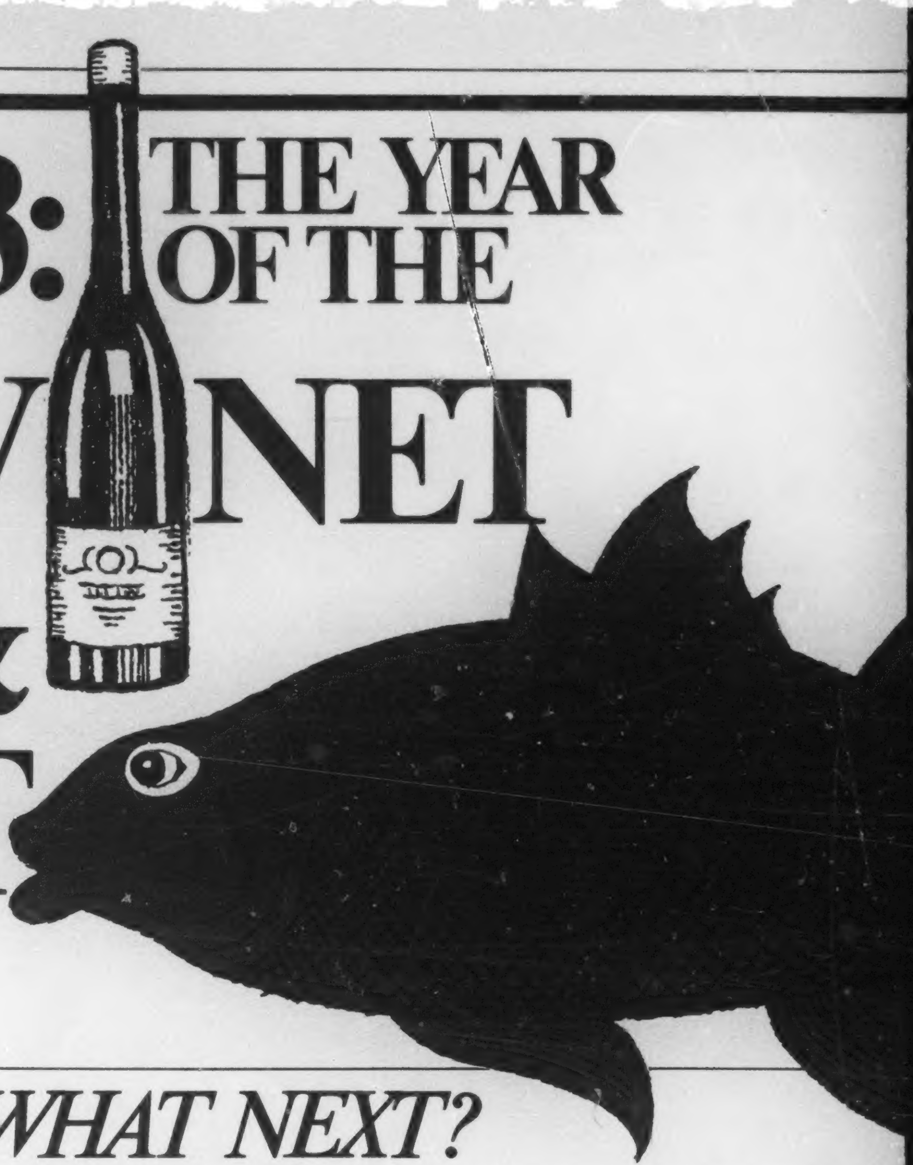
Therefore caterers must use extreme care in selecting what parties they will serve. They should not work for customers who refuse to allow them enough latitude to present a service that is appropriate for the occasion.

Caterers must also be clear about policies and procedures, such as guarantees, head counts and left-overs to avoid creating any ill will. They should also contact customers after a party to find out their impressions of what worked and what didn't. This not only shows concern but can provide valuable ideas for the future.

Finally, remember a caterer may serve six parties in a day, but each customer is only involved in his party. Make each customer feel that he is the only one on your mind.

Editor's Note: *To accommodate the growing interest in catering, NRA offers a seminar of catering how-to's. This seminar will be offered several times in 1983: on February 14-15 in San Francisco, CA; March 8-9 in Austin, TX; March 28-29 in Des Moines, IA; April 11-12 in Reno, NV; and June 20-21 in Minneapolis, MN. For further information, contact NRA's seminar department in Washington; (800) 424-5156.*

1983: THE YEAR OF THE CRUVINET & RAT



WHAT NEXT?

Just when you think you've got your operation all set, a new food fad or piece of equipment comes along. While it may seem like it's a costly expense to keep up with trends, it may not be. Adding a few specials to your menu can add pizzazz as well as attract new patrons. And a new technical innovation can sometimes be as dramatic for the foodservice industry as Edison's light bulb or Bell's telephone.

Keeping up with industry changes is crucial—whether you are in Shenandoah Junction, West Virginia or in New York City. Some of the major trends in 1982 are ones that have been in the making for several years; others have just surfaced. *NRA NEWS* reviews both.

◆ Wine on tap ◆

Perhaps the most revolutionary piece of equipment to surface this year was the cruvinet dispenser. Invented by the French and recently introduced in the U.S., this dispenser makes it possible for restaurateurs to serve fine wines by the glass without running the risk of spoiling the rest of the bottle. The machine automatically dispenses a five-ounce glass of wine and replaces the dispensed amount with tasteless nitrogen gas. The absense of air allows each glass to be as fresh as the first.

At a time when the American consumer is developing a taste for wine (see October *NRA NEWS*), this new capability can make it profitable for foodservice operators to offer a range of premium wines by the glass.

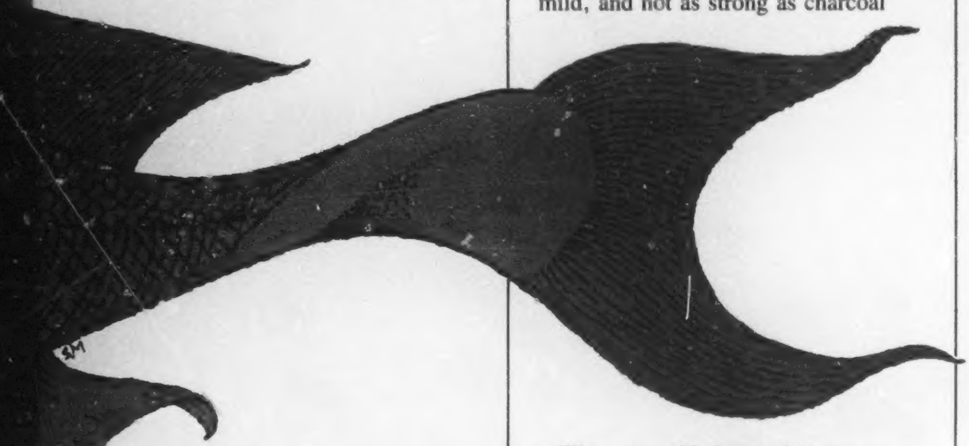
◆ Chicken—still climbing ◆

Chicken, a hot item in 1981, continued its upward climb in 1982. According to a recent CREST report (See August *NRA NEWS*), chicken was found to be the fastest growing entree in

1981, up 19 percent from the year before. Price versatility and the trend toward lighter foods are two reasons for the increase. Hamburger chains continued to add poultry to their predominately burger menus this year, and chicken franchises were spreading their wings all over the country to cash in on growing consumer demand.

◆ New bird on the block ◆

Chicken is not the only bird that is growing in popularity. According to a recent article in *Restaurant Hospitality* magazine, quail is finding its way onto many restaurant menus and seems to fit in everywhere—from truck-stop diners to New York's Tavern-on-the-Green. Quail can be served as a breakfast entree with eggs, grits and gravy. It can be dressed up with special sauces or simply smoked, fried or roasted. Although most Americans have not yet developed a preference for the gamey flavor, quail could very well catch on as much as duck and pheasant have.



◆ Retail outlets in restaurants ◆

Changes in lifestyles, including the high percent of working women, have altered the way consumers make their decisions to eat out. Convenience plays a decisive role in these decisions. It is no surprise, then, that consumers are increasingly patronizing take-out sections in restaurants and gourmet food shops. The packaging, freshness and quality of the foods are the main attractions of these stores, but more important is the fact that consumers can have the convenience of eating gourmet meals at home.

◆ Mesquite cooking ◆

Capitalizing on the current popularity of fish, restaurants have been adding mesquite cooking to their operations. In this process, fresh seafood is cooked over an open wood grill giving the fish a unique flavor—smoky but mild, and not as strong as charcoal grilling. An added appeal is that customers can often watch their selections being prepared—adding adventure to the dining experience.

Sheila Hoffmeyer of the National Fisheries Institute predicts that mesquite cooking will become even more popular during the next few years. Restaurants using this method have opened in almost every major city in the country.

◆ Serve yourself concept continues to gain ground ◆

Since the salad bar was introduced in 1962, the serve-yourself concept has been expanding. Recent additions include soup bars, pasta bars, potato bars, breakfast bars and even taco bars.

Lately cafeterias have started to take advantage of the food bar concept, encouraging customers to make their own creations at food islands.

◆ Adjustable portions can be good for everyone's pocketbook ◆

Gallup discovered in a recent survey that 55 percent of the consumers questioned are interested in having a choice of portion size when they eat out. The by-the-ounce option is especially popular with females and dieters, but other consumers like the idea of the savings that can come from paying only for the amount they want to eat. Foodservice operators can also benefit from adjustable portions by cutting food costs and waste. There can be no question about whether a restaurateur's quantities are generous or skimpy if consumers decide how much they want to eat.

◆ A ratfish by any other name ◆

Is there room for ratfish, mudblowers, pigfish and ghostsharks on restaurant menus? The National Marine Fisheries Service (NMFS) seems to think so. Although the names of these varieties are not appetizing, the fish taste as good or better than their more fortuitously-named counterparts. They also have the added bonus of being in more abundant supply.

According to an article in *The Washington Post,* some restaurants are promoting these seafood items in their operations with the help of a NMFS profile that lists the flavor, fat content, odor, color, flakiness, firmness, coarseness and moisture of each species. By using this information to describe selections, restaurateurs encourage diners to order and accept these new seafood products. One San Diego restaurant has reported high customer acceptance. "The profiles give diners a chance to see that shark is a mild, dry fish that has a lot of the same taste qualities as halibut," says Craig Ghio, co-owner of Anthony's Fish Grotto.

◆ Breakfast—still booming ◆

Breakfast continued to show impressive growth this year—7.5 percent over 1981.

According to Susan Mills, NRA director of research, breakfast should continue to post gains in traffic and sales during the 1980s. Reasons for the upsurge include increased availability, a positive price/value relationship, greater numbers of working women and a rise in the number of one and two person households.

Restaurants are attracting and keeping this morning crowd by offering daily fixed-price specials along with selections with considerable eye-appeal. Popular items include freshly-baked breads, croissants, and muffins as well as signature specialties such as strawberry wheat germ pancakes and turkey guacamole omelettes.

Breakfast business meetings have also contributed to the breakfast boom. Executives realize that morning get-togethers are less time-consuming than the traditional luncheon meetings. Restaurants are revving up for this business.

At the Hotel Parker Meridien in New York, for example, executives are treated to such amenities as complimentary newspapers, free photo copying of documents and telephone hook-ups at each table.

◆ Pasta and tacos ◆

The popularity of ethnic foods has induced restaurateurs of primarily American-style restaurants to add more and more of these selections to their menus. This trend shows no signs of aborting.

According to a recent Gallup survey, Italian cuisine has become the favorite of many restaurant patrons. Thirty-eight percent of those surveyed cited Italian food as their number one choice, with pasta as the runaway favorite.

Mexican cuisine, has also been growing in popularity this year. A long-time favorite of the western states, its ethnic dishes are quickly becoming accepted nationwide. Other ethnic foods that are winning a loyal following include Middle Eastern, Scandinavian and Thai.

◆ Down the road ◆

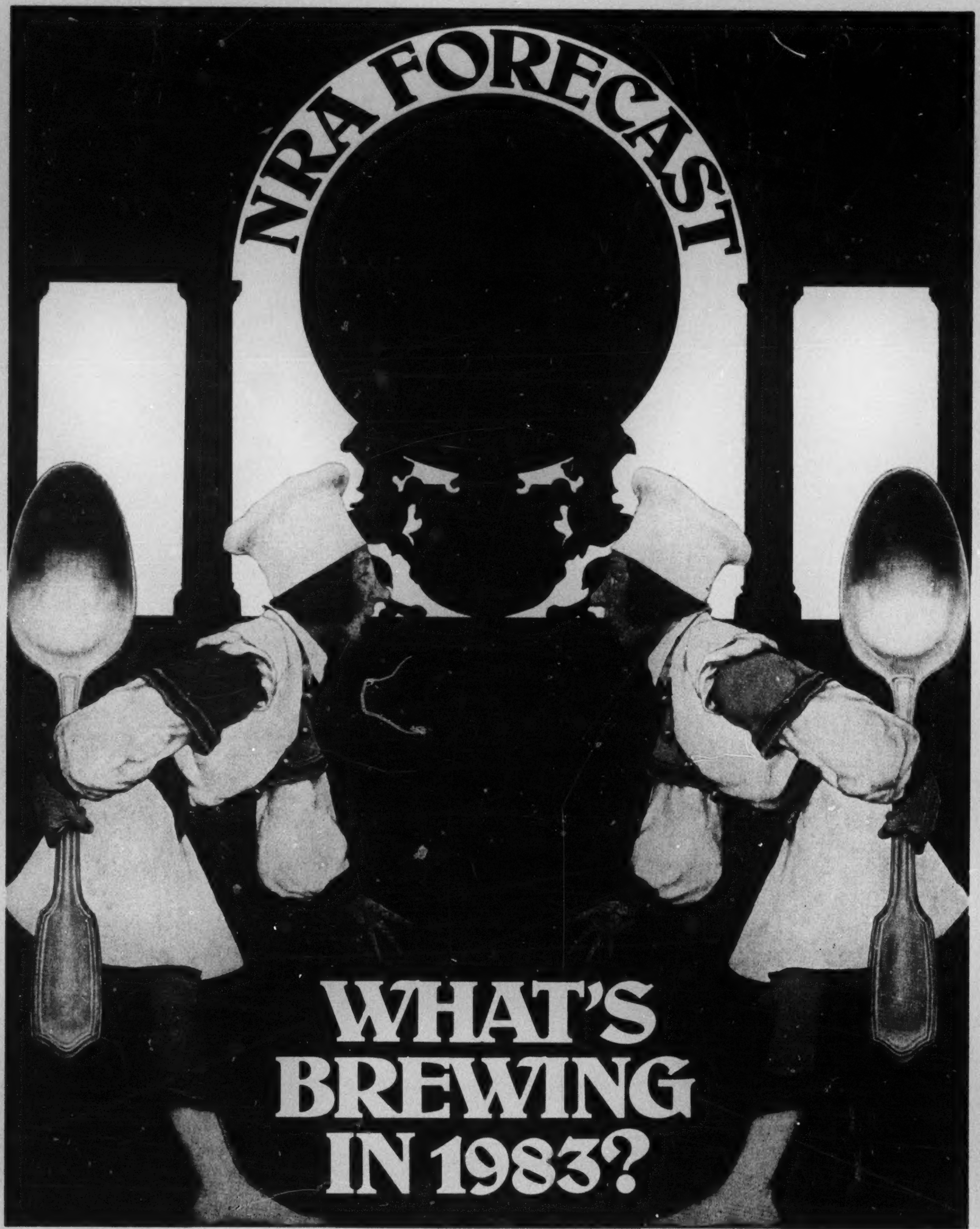
It's anybody's guess what the next food trend will be. Possibilities could range from exotic meats—such as buffalo, lion, hippopotamus (already served in Chicago, Washington, DC, New Orleans and Denver)—to tofu, the soybean product which continues to be a favorite among the health food crowd.

Tofu is the more likely candidate for growing widespread interest because of its versatility, low cost and high protein content. It is used to make ice cream, salad dressings, tacos and meatless meatballs. Although still in the background, the tofu industry has experienced a steady 25 to 30 percent growth during the past six years. Predictions point to tofu finding its way into white tablecloth restaurants by the end of the decade.

—Elyse Cuttler

Conference on Alcoholic Beverage Service

The National Conference on Alcoholic Beverage Service has been rescheduled for February 6-9, 1983 in Dallas, Texas. Subjects to be covered include training, merchandising, design and contracts. Look for further details in the new NRA brochure or call NRA seminar department at (800) 424-5156.


NRA FORECAST
WHAT'S BREWING IN 1983?

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HIGHLIGHTS

NRA's 1983 industry forecast projects continued improvement in real sales growth and moderate increases in menu prices.

●

Foodservice industry sales are projected to reach $143.6 billion in 1983—an increase of 7.9 percent over 1982.

●

Real sales, adjusted for inflation, should advance 2.0 percent—somewhat higher than the 1.2 percent increase recorded in 1982.

●

Performance will vary by industry segment. Real sales in the **Commercial Feeding Group** are forecast to rise 2.2 percent while the **Institutional Feeding Group** should record somewhat slower growth—0.4 percent.

●

Fast food and **hotel restaurants** are projected to post the largest real sales growth in the industry in 1983—4.5 percent and 3.8 percent, respectively.

●

Eating places, which account for approximately 60 percent of total foodservice industry sales, are expected to record sales growth of 8.6 percent in 1983, reaching $87.4 billion.

●

Because inflation is expected to continue to moderate and the economic picture is expected to improve, **eating places** are forecast to post real sales growth of 2.6 percent in 1983—an increase of 0.6 percentage points versus the 2.0 percent increase in 1982

●

Menu prices are projected to rise 6.0 percent in 1983, similar to the 5.8 percent level recorded in 1982.

The information contained in this report was prepared in consultation with the research firm Malcolm M. Knapp, Inc.

"NRA projects foodservice industry sales will total approximately $144 billion in 1983—a gain of 7.9 percent over 1982's $133.1 billion level," announced NRA Chairman of the Board and President John G. Dankos. Sales, unadjusted for inflation, should increase by $10.5 billion in 1983, somewhat higher than the $8 billion advance recorded in 1982.

"Real sales growth, adjusted for inflation, should continue to improve," Dankos reported. Posting a third consecutive year of increase, real sales for the foodservice industry taken as a whole are projected to rise 2.0 percent in 1983, following advances of 1.2 percent in 1982 and 0.6 percent in 1981.

NRA's forecast for improved real sales growth is based on anticipated economic recovery during 1983 along with continued moderate gains in inflation and rising consumer incomes. However, unemployment is projected to remain high and will mitigate sales growth somewhat. In fact, it seems that unemployment is replacing inflation as the nation's number one priority problem.

Food and drink sales in the Commercial Feeding Group, which account for 85 percent of total foodservice industry sales, should equal $122 billion in 1983—up 8.2 percent from the prior year. This compares with a 6.6 percent gain recorded in 1982. Real sales in the commercial sector are expected to rise 2.2 percent in 1983, an improvement over the 1.6 percent gain recorded in 1982.

NRA President John Dankos

Foodservice sales in the Institutional Feeding Group should record real sales growth of 0.4 percent in 1983, considerably better than the 0.6 percent decline in 1982.

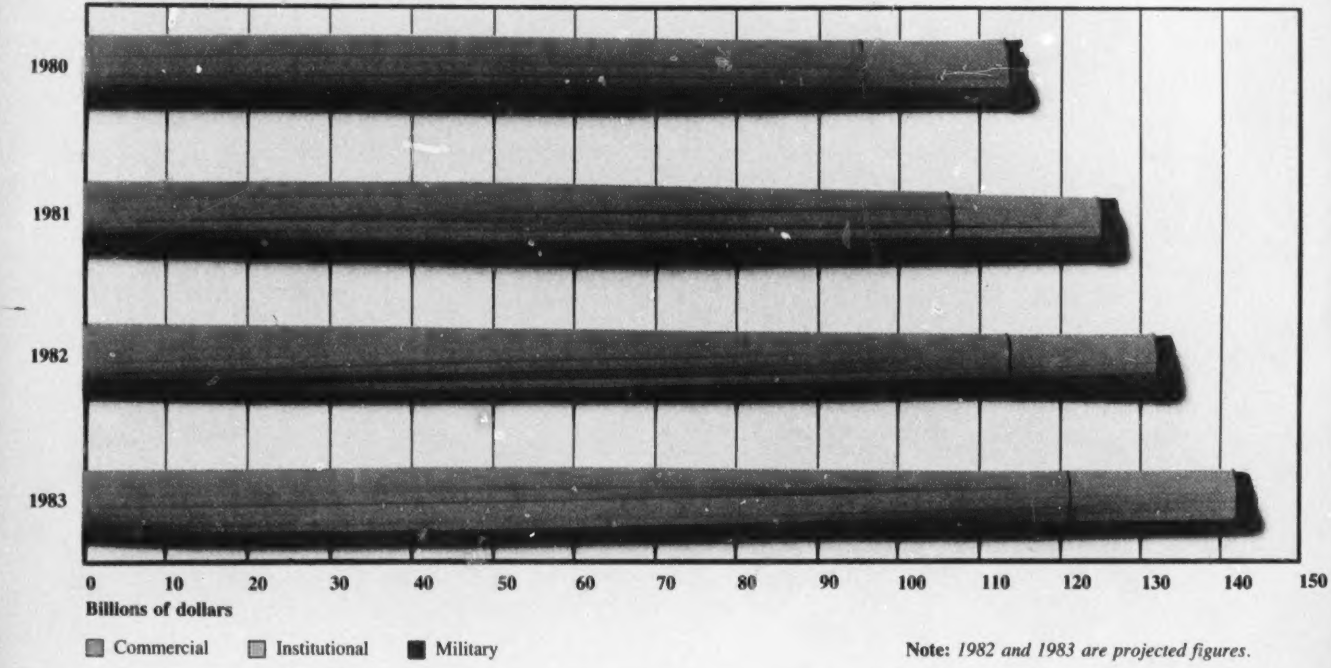
Food and drink sales in the Military Feeding Group are also expected to record positive real growth in 1983—1.7 percent. This is similar to the 1.5 percent advance experienced in 1982.

Menu prices should continue to moderate and are projected to post a 6.0 percent gain in 1983—similar to the 5.8 percent level recorded in 1982.

Long-term trends favor the industry. . .

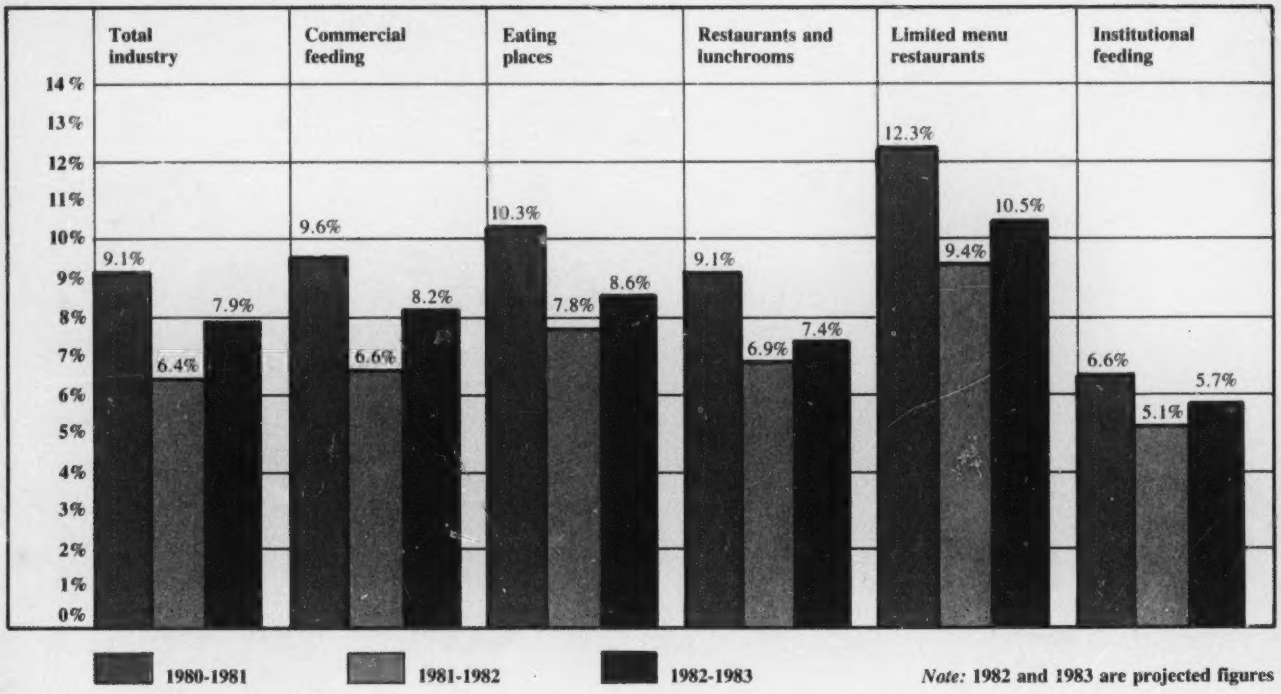
Long-term demographic and social trends continue to favor the foodservice industry. Currently the industry captures approximately 37.0 percent of the total food dollar—up from 33.0 percent in 1970.

Foodservice industry sales, 1980-1983



Note: *1982 and 1983 are projected figures.*

Percent change in sales (current dollars)



***Note:* 1982 and 1983 are projected figures**

Demographic and social trends that are most beneficial for the foodservice industry include

- increasing numbers of working women
- more affluent two-income households
- smaller families and more single-person households
- greater numbers of people in the 25 to 44 age group
- a better educated population
- growing importance of convenience as a factor in decision making
- increasing desire for leisure activities.

Census projections indicate that these demographic segments, which tend to spend more on meals away from home, will continue to enlarge during the 1980s.

In addition, a recent NRA consumer survey reveals that the public's appetite for meals away from home is far from satisfied. In fact, if all consumers were able to eat out as often as they would like, customer traffic at our nation's restaurants would jump by one-third.

In the following sections of this report, we will examine in some detail

- *the economic and consumer climate for the foodservice industry in 1982-83*
- *the outlook for eating places in terms of sales, menu prices and real sales growth*
- *restaurateur response to the challenges of 1982-83*
- *the outlook for such segments of the industry as lodging places, educational feeding, employee feeding, transportation feeding, health care feeding, recreational feeding, retail hosts and military feeding.*

The "background" section at the end of this report contains technical details which may interest some readers. It should be noted here, however, that this forecast does not pretend accuracy to the decimal point shown. These precise figures, rather than ranges, are given for the sake of convenience.

Economic and consumer climate in 1982 worse than expected. . .

Double digit unemployment, record high interest rates and a pessimistic consumer view of short-term economic conditions exerted a negative influence on foodservice industry sales in 1982. Moderating inflation and rising real incomes helped to offset some of these negative factors.

The restaurant industry experienced rising customer counts in early 1982, but traffic fell off in the spring and summer as consumers realized that the economy was still in a recession and unemployment was on the rise. In fact, unemployment replaced inflation as the number one consumer concern. Many Americans seemed to forgo at least some restaurant visits as a result of being without jobs or fearing unemployment.

Breakfast continued to be a bright spot for the industry in 1982. Sales and traffic for the morning meal outpaced those for the industry as a whole. Customer counts at lunch were weak, probably because of high unemployment which affected not only blue collar workers but also many white collar workers. Supper traffic was up slightly in 1982.

Fast food and family restaurants continued to do well in 1982. Both traffic and sales increases were above those for the industry as a whole for these two restaurant types. Consumers, not wishing to cut out their restaurant visits entirely, opted to eat at low and moderately priced establishments. Customer counts at upscale restaurants declined slightly in 1982, probably the result of some consumers cutting back on discretionary dining away from home.

The long awaited economic recovery may not begin until 1983. Although inflation has moderated and interest rates have declined dramatically, unemployment remains high, and industrial production shows no signs of an upturn. The usual upsurge in retail spending for Christmas is in doubt, but it is anticipated that restaurants will outperform retailers during the holiday season.

Demand for restaurant meals to increase in 1983. . .

A consensus forecast for 1983 calls for the real gross national product (GNP) to rise 3.2 percent. Although this is a smaller advance than usual for a recovery period, it is the largest real GNP gain since 1978—when it was up 5.0 percent. Most of the increase will occur in the last half of the year as the economy gains momentum.

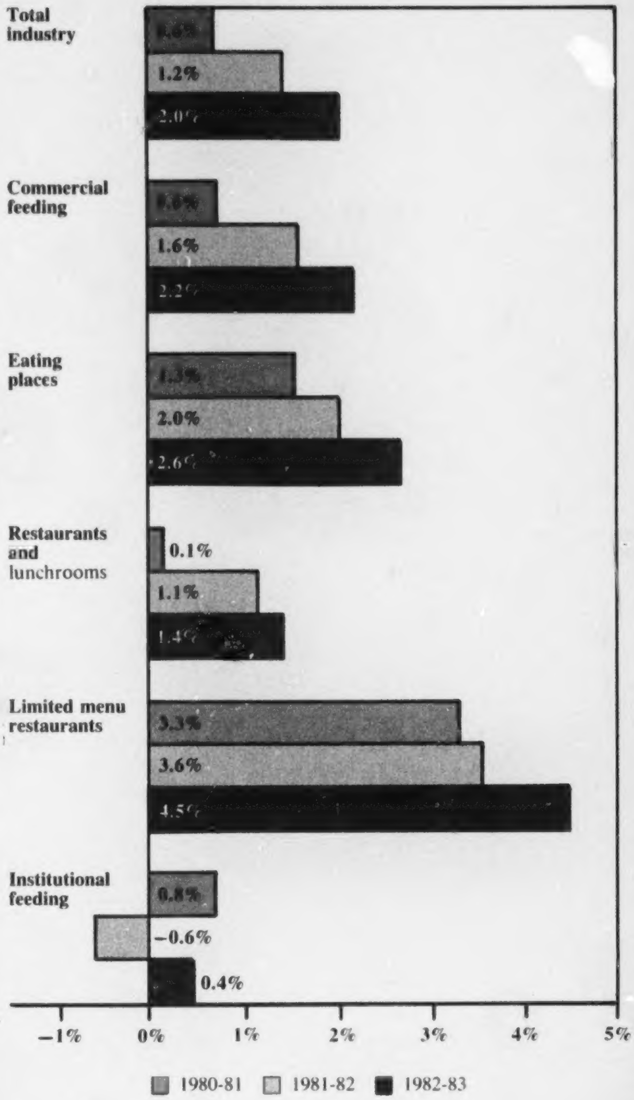
Inflation is a bright spot in the 1983 economic forecast. The Consumer Price Index (CPI) is expected to increase 5.6 percent, slightly lower than the 6.0 percent gain in 1982 and considerably better than the double digit advances of 1979 through 1981.

Interest rates do represent something of a question mark in the 1983 economic outlook. Interest rates declined considerably in October 1982. If they stay at this relatively low level, both the housing and auto industries should begin recovering from their economic slump of the past two years. However, if rates begin to move up, continued economic recovery could be delayed.

The outlook for energy prices is relatively bright. Supplies of oil and gasoline are abundant, and prices will be stable because overall demand continues to decline. In contrast to previous years, home heating oil prices are not expected to increase dramatically in 1983. However, the decontrol of natural gas will result in about a 25.0 percent increase in heating bills for consumers who use gas heat.

Unemployment will continue to be the major economic problem in 1983. In late 1982 the jobless rate exceeded 10.0 percent, and most economists feel that this rate will not begin to fall until the last half of 1983. For 1983, unemployment is expected to average 9.3 percent—only a slight improvement over the average of 9.5 percent for 1982.

Percent change in sales (constant dollars)



Structural changes taking place in the U.S. economy will cloud the employment picture in 1983 and for several years to come. Heavy manufacturing industries, such as autos, steel and rubber, have laid off a substantial number of workers during the last several years, and they will not be able to rehire all of these workers even when production picks up again. The jobs that are being and will continue to be created are in

NRA Forecast 1983

The foodservice industry—food and drink sales projected to 1983

Group 1—Commercial feeding[1]

	1980 estimated F & D sales (000)	1982 projected F & D sales (000)	1983 projected F & D sales (000)	1982-1983 percent change	1982-1983 percent real growth change	1980-1983 compound annual growth rate
Eating places						
Restaurants, lunchrooms	$ 36,037,601	$ 42,037,815	$ 45,173,030	7.4%	1.4%	7.8%
Limited menu restaurants, refreshment places	27,434,837	33,705,397	37,244,464	10.5	4.5	10.7
Commercial cafeterias	2,163,965	2,412,690	2,557,451	6.0	0.0	5.7
Social caterers	775,944	814,268	826,482	1.5	−4.5	2.1
Ice cream, frozen custard stands	1,289,479	1,524,775	1,648,282	8.1	2.1	8.5
Total eating places	$ 67,701,826	$ 80,494,945	$ 87,449,709	8.6%	2.6%	8.9%
Bars and taverns	7,779,573	8,737,493	9,218,055	5.5	−0.5	5.8
Total eating & drinking places	$ 75,481,399[2]	$ 89,232,438	$ 96,667,764	8.3%	2.3%	8.6%
Food contractors						
Manufacturing & industrial plants	$ 2,121,483	$ 2,267,492	$ 2,435,286	7.4%	1.4%	4.7%
Commercial & office buildings	603,906	709,999	768,219	8.2	2.2	8.4
Hospitals & nursing homes	832,480	939,782	1,010,265	7.5	2.5	6.7
Colleges & universities	1,139,972	1,358,005	1,454,423	7.1	1.1	8.5
Primary & secondary schools	628,966	747,828	755,306	1.0	−4.0	6.3
In-transit feeding (airlines)	512,914	562,152	616,119	9.6	3.6	6.3
Recreation & sports centers	977,788	1,140,476	1,244,259	9.1	3.1	8.4
Total food contractors	$ 6,817,509	$ 7,725,734	$ 8,283,877	7.2%	1.4%	6.7%
Lodging places						
Hotel restaurants	4,439,576	5,043,162	5,537,392	9.8%	3.8%	7.6%
Motor hotel restaurants	791,227	873,572	946,952	8.4	2.4	6.2
Motel restaurants	1,368,009	1,445,163	1,532,764	6.1	0.1	3.9
Total lodging places	$ 6,598,812	$ 7,361,897	$ 8,017,108	8.9%	2.9%	6.7%
Retail hosts[3]	3,302,873	3,698,293	3,975,665	7.5	1.5	6.4
Recreation & sports[4]	1,369,903	1,623,992	1,753,911	8.0	2.0	8.6
Mobile caterers	466,720	495,858	531,064	7.1	1.1	4.4
Vending & non-store retailers[5]	2,528,229	2,671,524	2,874,560	7.6	1.6	4.4
TOTAL Group I	**$ 96,565,445**	**$112,809,736**	**$122,103,949**	**8.2%**	**2.2%**	**8.1%**

Group II—Institutional feeding—business, educational, government or institutional organizations which operate their own foodservice

	1980 estimated F & D sales (000)	1982 projected F & D sales (000)	1983 projected F & D sales (000)	1982-1983 percent change	1982-1983 percent real growth change	1980-1983 compound annual growth rate
Employee feeding[6]	$ 1,635,236	$ 1,733,938	$ 1,851,846	6.8%	0.8%	4.2%
Public & parochial elementary and secondary schools	2,312,195	2,597,462	2,581,877	−0.6	−5.6	3.8
Colleges & universities	2,298,072	2,700,032	2,878,234	6.6	0.6	7.8
Transportation	623,933	696,729	760,131	9.1	3.1	6.8
Hospitals[7]	6,668,248	7,464,137	7,956,770	6.6	1.6	6.1
Nursing homes, homes for aged, blind, orphans, mentally & physically handicapped[8]	2,416,239	2,666.435	2,839,753	6.5	1.5	5.5
Clubs, sporting & recreational camps	1,170,163	1,373,444	1,484,693	8.1	2.1	8.3
Community centers	351,233	342,884	339,455	−1.0	−6.0	−1.1
TOTAL Group II	**$ 17,475,319**	**$ 19,575,061**	**$ 20,692,759**	**5.7%**	**0.4%**	**5.8%**
TOTAL Group I & II	**$114,040,764**	**$132,384,797**	**$142,796,708**	**7.9%**	**2.0%**	**7.8%**

Group III—Military feeding[9]

	1980 estimated F & D sales (000)	1982 projected F & D sales (000)	1983 projected F & D sales (000)	1982-1983 percent change	1982-1983 percent real growth change	1980-1983 compound annual growth rate
Officers & NCO clubs ("Open Mess")	$ 392,531	$ 461,925	$ 495,646	7.3%	1.3%	8.1%
Foodservice—military exchanges	219,800	262,256	284,286	8.4	2.4	9.0
TOTAL Group III	**$ 612,331**	**$ 724,181**	**$ 779,932**	**7.7%**	**1.7%**	**8.4%**
GRAND TOTAL	**$114,653,095**	**$133,108,978**	**$143,576,640**	**7.9%**	**2.0%**	**7.8%**

Footnotes

1. *Data are given only for establishments with payroll.*
2. *Food and drink sales for non-payroll establishments totaled $2,356,643,000 in 1980.*
3. *Includes drug and proprietary store restaurants, general merchandise store restaurants, variety store restaurants, food store restaurants, grocery store restaurants, gasoline service station restaurants and miscellaneous retailers.*
4. *Includes drive-in movies, bowling lanes, recreation and sport centers.*
5. *Includes sale of hot foods, sandwiches, pastries, coffee and other hot beverages.*
6. *Includes industrial and commercial organizations, seagoing and inland waterway vessels.*
7. *Includes voluntary and proprietary hospitals, long-term general, TB, nervous and mental hospitals and sales or commercial equivalent to employees in state and local short term hospitals and federal hospitals.*
8. *Sales (commercial equivalent) calculated for nursing homes and homes for aged only. All others in this grouping making no charge for food served either in cash or in kind.*
9. *Continental U.S. only.*

Eating place sales projected to 1983

	Estimated food and drink sales (000)			1982-1983 Percent change	1982-1983 Percent real growth change	1980-1983 Compound annual growth rate
	1980	1982	1983			
Restaurants, lunchrooms	$36,457,601	$41,827,815	$45,175,038	7.4%	1.4%	7.8%
Limited menu restaurants	27,434,837	33,705,397	37,244,464	10.5	4.5	10.7
Commercial cafeterias	2,163,965	2,453,690	2,457,451	6.8	0.9	5.7
Social caterers	775,944	814,268	826,482	1.5	−4.5	2.1
Ice cream, frozen custard stands	1,289,479	1,524,775	1,648,282	8.1	2.1	8.5
Total eating places	$67,701,826	$80,494,945	$87,449,709	8.6%	2.6%	8.9%

the non-manufacturing sector, and these are often lower paying jobs. As a result, higher paid manufacturing workers will continue to be displaced by lower paid service and clerical workers.

In 1983, personal income is expected to increase 8.4 percent, up from a projected 7.5 percent gain in 1982. The prospects for growth in real disposable personal income (DPI) look very good. With the assistance of the July 1, 1983, 10.0 percent tax cut and lower inflation, real disposable income (adjusted for inflation) should be up about 3.0 percent. Growth in real DPI has not reached the 3.0 percent level since 1978.

The extent to which consumers will spend or save their increased income is unknown. Higher Social Security taxes and the likelihood of increased state and local taxes could decrease the amount of income consumers have available for spending. On the other hand, since consumers built up their savings in 1982, the amount going into new savings may level off in 1983. The general consensus is that the outlook for consumer spending is relatively bright. Retail sales are projected to show improved real growth next year, primarily in the latter half of the year when the economy will be showing definite signs of improvement. Durable goods purchases should also rebound as long as interest rates remain at or near their current level.

In summary, NRA's favorable 1983 forecast for industry growth is based on anticipated increases in the demand and need for restaurant meals, especially as the economy moves into a full recovery in the last half of the year. In addition, rising real incomes and an improvement in the economic picture should have a positive effect on the industry.

Eating places in 1983: sales up 8.6 percent, real growth 2.6 percent. . .

The outlook for food and drink sales at eating places, which account for about 60.0 percent of foodservice industry sales, will depend on the economic conditions prevailing in 1983. The 1983 outlook is heavily influenced by consumers' confidence in their financial situation, consumer spending for all goods and services, continued gains in disposable income and a slow decline in the rate of unemployment. Consumers are now behaving less erratically and are returning to the more traditional spending patterns of years past. As inflation slows, consumers are cutting back on spending and saving more, rather than adopting the "buy now—pay later" attitude which had prevailed during periods of high inflation. However, the public will probably continue to react strongly to short-term economic news, and, as a result, monthly sales may fluctuate widely—just as they have in recent years.

Corporate expense account spending is under scrutiny. Travel is being cut. Fewer people are attending out-of-town meetings, skipping the "nice to go to" meetings to reserve funds for the conventions or conferences that are critical. Corporations also are trimming their management and clerical staffs and putting limits on pay raises.

Based on these attitudes and the economic outlook for the year ahead, eating place sales are projected to total $87.4 billion in 1983, up 8.6 percent over 1982. This growth rate is below the 12.1 percent annual growth rate registered during the 1970s but is about equal to the annualized rate of gain for the early 1980s.

Real sales, adjusting for menu price inflation, should fare better in 1983 than in any of the past four years. NRA's forecast for a real sales gain of 2.6 percent is based on moderate inflation, an improving economy and the consumer's desire to eat out. This 1983 projection outshines declines in real sales of 0.7 percent in 1979 and 1.0 percent in 1980 as well as the increases of the past two years of 1.3 percent and 2.0 percent, respectively.

Quarterly performance may be somewhat erratic due to the combined effect of economic trends and the strengths and weaknesses of comparable periods in 1982. NRA expects industry sales to show steady improvement during the early months of next year. However, current weather predictions, which call for a very cold winter in much of the country, could mean the industry will experience some temporary sales disruptions, especially in January and February. Sales are forecast to be quite strong during the critical summer months, and this momentum should continue well into the fall.

One of the premises of the NRA 1983 forecast is that the gain in real eating place sales will lag by just 0.5 percent behind growth in real disposable income as consumers will probably continue to save a portion of their incomes. But with moderating inflation and a lessening of cost increases for many of life's necessities, such as housing, energy and transportation, it is possible that eating place sales gains may equal or outpace income gains later in this decade—comparable to the situation in the early and mid-70s.

Fast food to post strong real growth. . .

Among eating places, *limited menu restaurants* should preserve their dominance in terms of real growth—with an increase of 4.5 percent. This gain is up from 3.6 percent in 1982 and 3.3 percent in 1981. Much of this projected growth is based on the following four assumptions

- Consumers will continue to preserve some frequency of eating out but will achieve this by trading down.
- Limited menu restaurants will continue to advertise more heavily in the electronic media and also sponsor more promotions than other industry segments.
- Most new unit construction will be for limited menu (fast food) operations.
- The continuing consumer need for convenience and speedy service is easily met by fast food establishments.

Restaurants, the largest eating place category, should post sales of $45.2 billion in 1983 for an increase of 7.4 percent. This modest increase is better than 1982's advance of 6.9 percent. In real terms, the 1.4 percent gain projected for 1983 is similar to this year's 1.1 percent gain and does mark the second consecutive year of positive real sales growth. Improvement in general economic conditions as well as a good showing by moderate price restaurants in this industry segment should result in the improved performance anticipated for this eating place category. Upscale restaurants may be negatively affected by the cutback in business and convention spending and a reduction in high spending tourists from overseas.

Commercial cafeterias are expected to do considerably better in 1983 than in prior years. In real terms, they should break even, and they should experience a 6.0 percent gain in nominal sales. The reasons for the improvement from 1982's real decline of 1.6 percent are fewer closings of existing establishments and the improved performance of some of the leading chains.

Ice cream and frozen custard stands should post the second best performance of the eating place group. In 1983, real sales are projected to be up 2.1 percent and nominal sales should rise 8.1 percent. Ice cream stores are increasing in number and the public has developed a fondness for some of the gourmet high butterfat brands.

Social caterers should continue their decline, with a drop of 4.5 percent in real sales following a decline of 4.8 percent in 1982. The poor performance is due primarily to competition—restaurants and hotels are competing for their business, and non-professionals looking for extra money continue to make inroads in this business.

Menu price increases similar to 1982. . .

Menu prices are forecast to rise 6.0 percent in 1983, similar to the 5.8 percent gain in 1982. This estimate is based on the probability that restaurant meal prices will be held down in the beginning of the year but will increase toward the end of the year as the economy improves.

NRA's menu price forecast has been made on the premise that increases in food, labor and other operating costs will be at or near 1982 levels. Wholesale food prices are expected to advance 4.0 percent next year—compared with a rise of 2.5 percent in 1982. Higher prices for beef and increased marketing costs are the main impetuses behind projected higher 1983 food prices. Increases in labor and benefit costs will probably be held to 1982's 3.5 percent advance. An abundant labor supply, lower inflation and no mandated increase in the federal minimum wage will all help to keep payroll costs down. Other operating costs, including energy, are expected to rise at the same rate as overall inflation—6.0 percent.

The foregoing cost increases, combined with efforts by operators to boost margins, should result in increased menu prices. If less effort is made to increase margins, a possibility exists that menu price increases would be even more moderate.

Restaurants meet the challenges of 1982-83. . .

On the operations side, a number of long-term challenges face the industry. Foremost among these are

- controlling costs to maintain margins
- attracting and training qualified personnel and
- presenting an overall picture of quality to the consumer.

Operators are expected to place greater emphasis on increasing productivity. The challenge for the industry is to improve sales during non-peak demand times—weekdays, mornings and between meals. The fast food segment has done a good job with breakfast and is attempting to build dinner business. Many family-style restaurants have extended their hours, and considerable numbers of operators are introducing specially-priced meals on non-peak days, such as Monday, Tuesday, Wednesday and Thursday. In addition, restaurateurs will probably continue to look for equipment that is efficient and can be used for several similar tasks.

Operators are expected to put emphasis on developing new food items and marketing concepts and will try to incorporate them as rapidly as possible in order to capture sales in the dynamic marketplace. For example, the dual retail concept is spreading as restaurants are combined with bookstores, bakeries, wine shops and delis.

Good things for quality operators. . .

Today's consumers have become increasingly quality conscious. They want and expect quality food, quality service and quality visual appearance when they dine at restaurants. As a result, quality has become associated with the restaurateur's ability to deliver the total product he has promised.

A new NRA consumer survey to be released in early 1983 reveals that consumers have high expectations when they dine at any type of restaurant. As the price of the meal increases, however, the expectations become greater. Foremost among these expectations are

- properly cooked food, attractively presented,

Lodging place sales projected to 1983

	Estimated food and drink sales (000) 1980	1982	1983	1982-1983 Percent change	1982-1983 Percent real growth change	1980-1983 Compound annual growth rate
Hotel restaurants	$ 4,439,576	$ 5,043,162	$ 5,537,392	9.8%	3.8%	7.6%
Motor hotel restaurants	791,227	873,572	946,952	8.4	2.4	6.2
Motel restaurants	1,368,009	1,445,163	1,532,764	6.1	0.1	3.9
Total lodging places	$ 6,598,812	$ 7,361,897	$ 8,017,108	8.9%	2.9%	6.7%

Employee feeding sales projected to 1983

	Estimated food and drink sales (000) 1980	1982	1983	1982-1983 Percent change	1982-1983 Percent real growth change	1980-1983 Compound annual growth rate
Food contractors						
Manufacturing & industrial plants	$ 2,121,483	$ 2,267,492	$ 2,435,286	7.4%	1.4%	4.7%
Commercial & office buildings	603,906	709,999	768,219	8.2	2.2	8.4
Institutional						
Employee feeding*	1,635,236	1,733,938	1,851,846	6.8	0.8	4.2
Total employee feeding	$ 4,360,625	$ 4,711,429	$ 5,055,351	7.3%	1.3%	5.1%

*Includes sales for industrial and commercial organizations, sea-going ships and inland waterway vessels.

- pleasant, efficient service, and
- clean and comfortable surroundings.

The public tends to patronize restaurants where they know they will get what they want. As a result, operators who can consistently provide what the consumer wants and expects will be most successful..

New foods, new concepts, more promotions in 1983. . .

In the coming year, operators will be challenged to provide new menu items and new concepts and to take a closer look at promotions. Menu expansion will probably continue, but operators are expected to look for items which fit into their original concept yet provide a greater price variance so that patrons can trade down rather than patronize another restaurant. Healthy foods and lighter foods will be popular as will the so-called "finger foods"—ribs, pizza, nachos. In addition, different preparation methods (wok cooking, steaming) will be tried.

Imagination may well be the new value ingredient. In these poor economic times people are looking for creativity—for something a little different. Therefore, there is rising demand for imagination throughout the restaurant operation—from presentation to decor.

The consumer's continuing need for convenience will present new challenges for restaurant operators, with the carry out and off-premise catering business offering new opportunities. These areas are moving toward variety and upscaling. For example, carryout items need no longer be limited to hamburgers, chicken and pizza. The new carryout concepts include ribs, pasta and complete gourmet dinners.

Promotions will probably continue to be used extensively, and operators who promote the value of their product will be most successful. In the last year considerable emphasis has been placed on games and merchandise promotions. In 1983 we expect to see a return to more product-oriented promotions and perhaps fewer promotional offerings. In addition, promotions that stress value rather than price should find more favor with the growing value-conscious consumer.

Lodging place sales to rise 8.9 percent. . .

Food and drink sales at *lodging places* are forecast to rise 8.9 percent in 1983, for a total of $8 billion. Real sales, adjusted for inflation, are projected to advance 2.9 percent—considerably higher than the 2.5 percent decline posted in the prior year. An increase in conventions and air travel is expected in 1983 over 1982 levels and will be the major force behind this gain.

Hotel restaurants, the largest component of the lodging place segment, should post the most rapid growth in this category—9.8 percent in nominal sales and 3.8 percent in real sales. On the other hand, *motel restaurants* are projected to have the smallest gain in real terms—0.1 percent—due to a drop in vacation travel and the tendency to stay with friends rather than in motels.

Sales for employee feeding projected to total $5.1 billion. . .

Food and drink sales in the employee feeding category are projected to total $5.1 billion in 1983, a gain of 7.3 percent

Educational feeding sales projected to 1983

	Estimated food and drink sales (000) 1980	1982	1983	1982-1983 Percent change	1982-1983 Percent real growth change	1980-1983 Compound annual growth rate
Colleges & universities						
Contractors	[illegible]	$ 1,358,005	$ 1,454,423	7.1%	1.1%	8.5%
Institutional	2,298,072	2,700,032	2,878,234	6.6	0.6	7.8
Subtotal	$ 3,418,041	$ 4,058,037	$ 4,332,657	6.8	0.8	8.0
Primary & secondary schools						
Contractors	628,966	747,828	755,306	1.0	−4.0	6.3
Institutional	2,312,195	2,597,462	2,581,877	−0.6	−5.6	3.8
Subtotal	$ 2,941,161	$ 3,345,290	$ 3,337,183	−0.2	−5.2	4.3
Total educational feeding	[illegible]	$ 7,403,327	$ 7,669,840	3.6%	−1.9%	6.3%

Transportation feeding sales projected to 1983

	Estimated food and drink sales (000) 1980	1982	1983	1982-1983 Percent change	1982-1983 Percent real growth change	1980-1983 Compound annual growth rate
In-transit feeding— airlines (contractors)	$ 512,914	$ 562,152	$ 616,119	9.6%	3.6%	6.3%
Transportation*	623,933	696,729	760,131	9.1	3.1	6.8
Total transportation feeding	$ 1,136,847	$ 1,258,881	$ 1,376,250	9.3%	3.3%	6.6%

*Includes sales on airlines, passenger/cargo liners and railroads.

Recreational feeding sales projected to 1983

	Estimated food and drink sales (000) 1980	1982	1983	1982-1983 Percent change	1982-1983 Percent real growth change	1980-1983 Compound annual growth rate
Recreation & sports centers						
Contractors	$ 977,788	$ 1,140,476	$ 1,244,259	9.1%	3.1%	8.4%
Institutional	1,170,163	1,373,444	1,484,693	8.1	2.1	8.3
Subtotal	$ 2,147,951	$ 2,513,920	$ 2,728,952	8.6%	2.6%	8.3%
Recreation & sports*	1,369,903	1,623,992	1,753,911	8.0	2.0	8.6
Total recreational feeding	$ 3,517,854	$ 4,137,912	$ 4,482,863	8.3%	2.3%	8.4%

*Includes sales at drive-in movies, bowling lanes and recreation and sports centers.

Health care feeding sales projected to 1983

	Estimated food and drink sales (000) 1980	1982	1983	1982-1983 Percent change	1982-1983 Percent real growth change	1980-1983 Compound annual growth rate
Contractors in hospitals & nursing homes	$ 832,480	$ 939,782	$ 1,010,265	7.5%	2.5%	6.7%
Hospitals	6,668,248	7,464,137	7,956,770	6.6	1.6	6.1
Nursing homes	2,416,239	2,666,435	2,839,753	6.5	1.5	5.5
Total health care feeding	$ 9,916,967	$11,070,354	$11,806,788	6.6%	1.6%	6.0%

from the prior year. Real sales in this segment are forecast to rise 1.3 percent. Food contractor sales at *commercial and office buildings* should record the largest gain—8.2 percent—with real sales growth of 2.2 percent. Non-manufacturing employment is expected to increase 2.0 percent in 1983, contributing to this improved performance. Food contractor sales at *manufacturing and industrial plants* follow with a 7.4 percent increase. Real sales are predicted to advance 1.4 percent, substantially above the 7.2 percent decline recorded in 1982. This is due primarily to an expected 1.9 percent increase in manufacturing employment in 1983.

Institutional foodservice sales in the employee feeding category, which includes *industrial and commercial organizations, sea-going ships* and *inland waterway vessels*, are predicted to record sales growth of 6.8 percent in 1983. This compares favorably with the 4.2 percent compound annual growth rate posted during the three-year period, 1980 to 1983.

Educational feeding sales up 3.6 percent. . .

Foodservice sales in the educational feeding category are forecast to rise 3.6 percent in 1983, with real sales expected to decline 1.9 percent. Enrollment in primary and secondary schools is predicted to fall 1.6 percent in 1983. In addition, government subsidies for school breakfast and lunch programs should continue to be cut, accounting for the poor performance. On the other hand, enrollment at the nation's colleges and universities should rise 0.8 percent in 1983. This will probably mark the last gain in enrollment at higher learning institutions for some time to come. College costs, reduced student aid and demographic trends (such as numbers of college-age people) will result in fewer students.

Food contractor and institutional feeding sales at *colleges and universities* are forecast to record the strongest gains in the educational feeding category in 1983—7.1 percent and 6.6 percent, respectively. However, this is somewhat below the 8.5 percent and 7.8 percent annual growth rates recorded during the three-year period, 1980 to 1983.

Food contractor sales at *primary and secondary schools* are forecast to rise only 1.0 percent in 1983, and real sales will fall 4.0 percent. Sales at primary and secondary schools that operate their own foodservice are predicted to decline 0.6 percent, with inflation-adjusted sales down 5.6 percent.

Transportation feeding sales projected to reach $1.4 billion. . .

Food and drink sales in the transportation feeding category are predicted to reach $1.4 billion in 1983, a gain of 9.3 percent from the year before. Real sales are expected to rise 3.3 percent. *In-transit feeding (airlines)* by food contractors is forecast to record the strongest growth in this category—9.6 percent—well above the 6.3 percent annual growth rate recorded during the 1980 to 1983 period. Airline passenger traffic, which should benefit from an improved economy and continued fare wars, is expected to increase 4.0 percent in 1983, contributing to much of this gain. Institutional foodservice sales in the transportation feeding category, which include *airlines, passenger/cargo liners and railroads*, are forecast to advance 9.1 percent in 1983 with real sales growth of 3.1 percent. Most of this gain can be attributed to improvement in air traffic as travel on trains and cruise ships is expected to record only modest growth.

Recreational feeding sales forecast to advance 8.3 percent. . .

Foodservice sales in the recreational feeding category are forecast to advance 8.3 percent in 1983 with inflation-adjusted sales up 2.3 percent. This relatively strong performance should be a by-product of a more robust economy. Food and drink sales by food contractors at *recreation and sports centers* are expected to post the most rapid growth in this category—9.1 percent—with real sales up 3.1 percent. Theme park attendance is predicted to increase in 1983, contributing to much of this gain. Institutional foodservice sales at *recreation and sports centers* should follow with an 8.1 percent advance in nominal sales and a 2.1 percent gain in real sales. Commercial foodservice operations at *recreation and sports centers* are expected to post sales of $1.8 billion, an increase of 8.0 percent over 1982.

Health care feeding sales forecast to total $11.8 billion. . .

Food and drink sales in the health care feeding category are forecast to total $11.8 billion in 1983, a 6.6 percent advance over the prior year. Inflation-adjusted sales are expected to rise 1.6 percent. Food contractor sales in *hospitals and nursing homes* are projected to post the largest increase in this segment—7.5 percent—and can be attributed to a larger number of food contractors operating foodservice facilities in nursing homes. *Hospitals* that operate their own foodservice, with sales of $8.0 billion and by far the largest component of the health care feeding category, should post a 6.6 percent sales gain in 1983 and real growth of 1.6 percent. *Nursing homes*, operating their own foodservice, are expected to record similar growth of 6.5 percent in nominal sales and 1.5 percent in real sales.

Retail hosts sales expected to rise 7.5 percent. . .

Retail hosts, which include foodservice operations in drug stores, department stores and convenience and grocery stores, are expected to post a 7.5 percent increase in 1983 to reach $4.0 billion in food and drink sales. Real sales are forecast to advance 1.5 percent, compared with a 2.6 percent decline in 1982. This improved performance is based on anticipated changes in the economy as well as unlocking some of the pent-up demand among consumers for retail goods. However, consumer shopping habits have altered, and this has had and will continue to have an effect on foodservice sales for this segment. People are not spending as much time "browsing" in shopping malls and stores. They go for a specific purpose and so are less likely to be stimulated to buy impulsively.

Vending and non-store retailers sales should reach $2.9 billion. . .

Food and drink sales by *vending and non-store retailers* are forecast to reach $2.9 billion in 1983, a gain of 7.6 percent from the year before. Real sales are expected to increase 1.6 percent, a substantial improvement over the 8.5 percent decline recorded in 1982. Increased employment at factories, along with more emphasis on vending rather than manual feeding at some plant locations, should result in improved performance.

Food and drink sales by *mobile caterers* are projected to rise 7.1 percent in 1983. Real sales should advance 1.1 percent, a substantially better performance than the 5.0 percent decline in 1982. The outlook for construction in 1983 is an improvement over this year's performance and contributes significantly to the positive real sales gain.

Food and drink sales at community centers to decline 1.0 percent. . .

Food and drink sales at *community centers* are forecast to decline 1.0 percent in 1983 with real sales expected to fall 6.0 percent. This below average performance can be attributed to cut backs in the government's social programs.

Military sales to post real growth. . .

Foodservice sales for the Military Feeding Group should total $780 million in 1983, up 7.7 percent from 1982. Real sales are forecast to increase 1.7 percent. Foodservice sales at *military exchanges* should post real growth of 2.4 percent. *Officers and NCO clubs* should follow at 1.3 percent. An increase in the military population accounts for the improved performance forecast for 1983.

How the NRA forecast was prepared

NRA's initial projections for 1983, revised projections for 1982 and final estimates for 1980 are published here. Comparable historical sales data from 1970 to 1979 appear in *Foodservice Sales Panorama*, which was published by the National Restaurant Association and is available for sale.

NRA's annual foodservice industry forecast for 1983 includes both nominal and real percent changes in sales for all industry sectors. Real growth is calculated separately for each market segment. In the case of eating places, the projected percent increase in menu prices is subtracted from the percent increase in sales. For drinking places, it is necessary to make a special estimate of the inflation factor which is weighted more heavily toward alcoholic beverages.

For other industry sectors, such as colleges and universities where expenses are largely determined by food costs, a modification of the Producer Price Index for food is used. Modifications to this index are based on historical patterns for each industry sector. The food cost component constitutes the base percent increase, which is adjusted to reflect population changes and other factors.

To arrive at real 1983 sales figures for the foodservice industry taken as a whole and for the Commercial and Institutional Groups, each figured separately, current 1982 sales were multiplied by respective growth factors. The real sales figures were then added and compared with 1982 sales to obtain overall real growth.

A *word of caution* is necessary with all forecasts. Sales projections for 1983 are based on the best data available in October 1982. If the outlook for general economic conditions or the food situation changes significantly in the coming year, our projections will require adjustment. In addition, the performance of individual companies or sales in local areas may differ substantially from the U.S. outlook.

New NRA forecast feature

Food and drink purchases projected to reach $60 billion in 1983

For the first time, the National Restaurant Association presents projected 1983 figures for food and drink purchases for the foodservice industry in 1983. This information will become a regular feature in NRA's annual forecast issue.

Food and drink purchase projections for the foodservice industry in 1983 are forecast to reach $60 billion. Other highlights include

- Purchases in the Commercial Feeding Group, which account for 69 percent of the total amount spent, are estimated to total $41.5 billion next year.
- Eating places, the largest component of the Commercial Feeding Group, are predicted to record food and drink purchases of $31.6 billion in 1983.
- Food contractors follow eating places in amount of dollars spent. The estimated total is $3.4 billion.
- Purchases for the Institutional Feeding Group, which account for 20 percent of total industry food and drink purchases, are forecast to equal $12.1 billion next year.
- Hospitals, the largest food and drink purchasers in the institutional segment, will record purchases of $3.6 billion in 1983 or 30 percent of the total for this group.
- Food and drink purchases that will be furnished to foodservice employees in both the Commercial and Institutional Feeding Groups are forecast to equal $4.1 billion next year.
- Purchases in the Military Feeding Group are expected to reach $2.2 billion, with defense personnel accounting for the largest share—$1.9 billion.

The foodservice industry—food and drink purchases projected to 1983

Estimated food and drink purchases (000)

Group I: Commercial feeding[1]

	1983
Eating places	
Restaurants, lunchrooms	$16,759,194
Limited menu restaurants	13,035,562
Commercial cafeterias	959,044
Social caterers	318,196
Ice cream, frozen custard stands	519,209
Total eating places	$31,591,205
Bars & taverns	557,165[2]
Total eating & drinking places	$32,148,370
Food contractors	
Manufacturing & industrial plants	$ 1,134,843
Commercial & office buildings	357,990
Hospitals & nursing homes	404,106
Colleges & universities	464,473
Primary & secondary schools	308,531
In-transit feeding (airlines)[3]	295,737
Recreation & sports centers	441,712
Total food contractors	$ 3,407,392
Lodging places	
Hotel restaurants	$ 1,897,110
Motor hotel restaurants	324,804
Motel restaurants	539,226
Total lodging places	$ 2,761,140
Other commercial	
Retail host restaurants	$ 1,443,166
Recreation & sports	626,146
Vending & non-store retailers	960,103
Mobile caterers	182,155
TOTAL Group I	**$41,528,472**

Group II: Institutional feeding group—Business, educational, government or institutional organizations which operate their own foodservice

Employee feeding	$ 938,090
Public & parochial elementary & secondary schools	2,962,214
Colleges & universities	1,332,834
Transportation	397,298
Hospitals	3,599,961
Nursing homes, homes for aged, blind, orphans, mentally & physically handicapped	1,795,405
Clubs, sporting & recreational camps	718,591
Community centers	400,550
TOTAL Group II	**$12,144,943**
TOTAL Groups I & II	**$53,673,415**
Food furnished foodservice employees (FSE) in Groups I & II	**$ 4,081,201**
TOTAL Groups I, II & FSE	**$57,754,616**

Group III: Military feeding

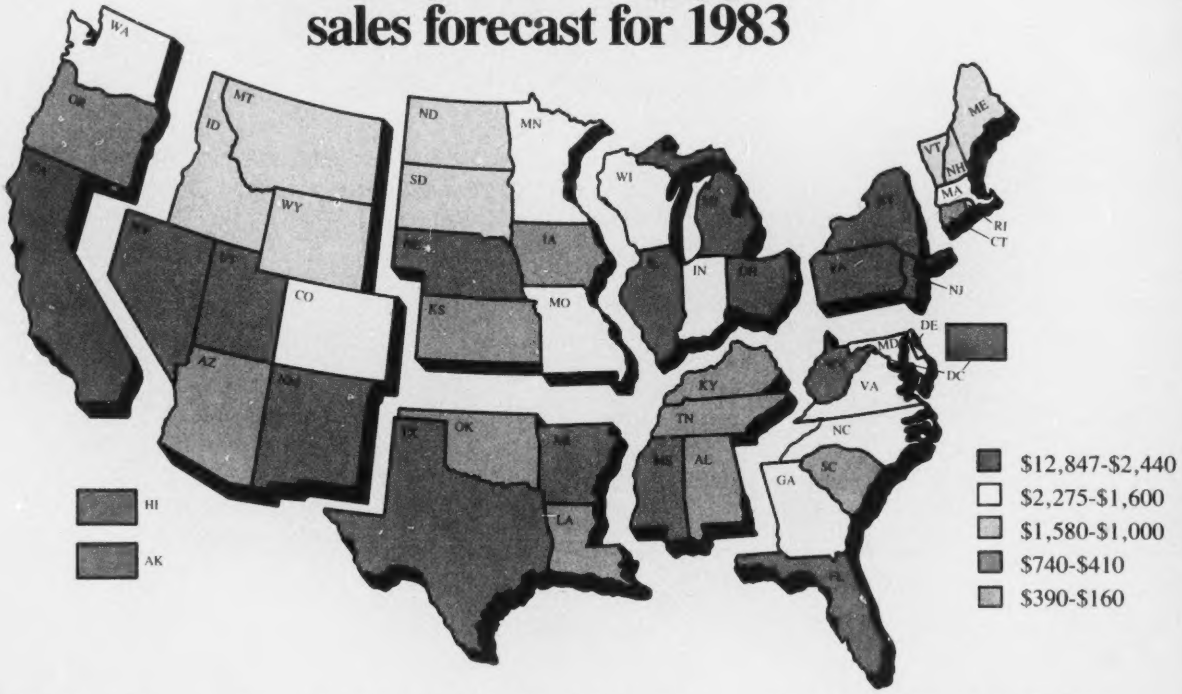
Defense personnel	$1,908,305
Officers & NCO clubs ("Open mess")	184,167
Foodservice—military exchange	120,822
TOTAL Group III	**$ 2,213,294**

GRAND TOTAL	**$59,967,910**

Footnotes

[1] *Data are given only for establishments with payroll.*
[2] *Food purchases only.*
[3] *Food purchases only.*

State-by-state eating place sales forecast for 1983



For the third consecutive year the National Restaurant Association has forecast eating place sales for each of the 50 states and the District of Columbia. This information makes an important contribution to the overall understanding of the foodservice industry. It is also beneficial to restaurant operators when comparing their sales performance with the average for their state or region and when planning for the year ahead.

Eating place sales performance differs from state-to-state and region-to-region depending, to a great extent, on the economic situation in the area. Varying rates of income, population and employment growth all affect restaurant sales. The accompanying map illustrates the wide geographical diversity in the size of eating place sales.

The economic and sales data for the states have been arranged according to the nine census regions. Included for each state are revised eating place sales for 1982, projected 1983 sales figures, information on personal income and employment data. Much of the economic data in this report is based on information obtained from such sources as the Bureau of Economic Analysis, U.S. Chamber of Commerce and The Conference Board.

The estimates for eating place sales used here were prepared in consultation with the research firm Malcolm M. Knapp, Inc. State-by-state historical eating place sales trends between 1972 and 1977 form the basis for these projections. These sales figures have been modified to reflect current and projected income as well as population data.

A few reminders. . .

Here are a few things to keep in mind when using the regional eating place sales figures in this report.

- Adjustments were made to the calculated sales total to arrive at a predetermined U.S. total.
- Sales projections for 1983 are based on the best data available in early October 1982. If the outlook for general economic conditions or the food situation changes significantly in the coming year, these projections will require adjustment.
- Sales figures for each state are subject to greater error than the national sales projections.
- The actual sales figures are a better indication than percent changes of the size of the restaurant industry in respective states. Actual sales figures represent an overall allocation of total sales in the U.S., while percent changes are subject to more variation. Percent changes have been shown here as a convenience to our readers.
- The sales information shown here for states and regions are for all establishments. They represent the U.S. Census definition of eating places (SIC Code 5812) and include figures for operations with payroll, without payroll as well as contract feeding. As a result, the sales figures for states and regions will not equal the total for eating places shown in the table on page 14.
- Regional projections were not done separately, and, as a result, regional totals are sums of the state information.

Outlook for the New England region

Eating place sales to total $4.8 billion in 1983. . .

Eating place sales in the New England region are projected to total $4.8 billion in 1983—a gain of 7.4 percent over 1982. This is somewhat lower than the 8.5 percent gain forecast for the U.S. as a whole.

Population in the New England area is expected to increase only slightly in 1983, and total personal income is estimated to rise at a slower rate than for the nation as a whole, contributing to the below average gain in eating place sales in the New England region. In addition, employment growth, particularly in the non-manufacturing sector, is expected to lag behind that of the nation in 1983.

New England region

State	Eating place sales (000) 1982	1983	Percent Change
Connecticut	$1,050,997	$1,122,465	6.8%
Maine	349,269	375,115	7.4
Massachusetts	2,275,182	2,448,096	7.6
New Hampshire	347,211	378,113	8.9
Rhode Island	266,526	282,518	6.0
Vermont	154,510	165,017	6.8
Total region	**$4,443,695**	**$4,771,324**	**7.4%**

The economy. . .

The New England region has experienced a slowdown in economic activity as a result of the current recession, but it has not been as severe as in previous downturns. While the industrial mix of the New England states has undergone some changes and is now more dependent on high-technology manufacturing and defense-related industries, non-durable goods manufacturing—such as textiles—still account for a disproportionate share of employment and income in this area. These non-durable manufacturing industries have experienced a decrease in activity in the current recession due to lower levels of consumer spending. As a result, employment is declining and this is a significant contributor to the slowdown in economic activity in this area.

The New England region also produces a disproportionate share of the nation's capital goods, such as computers and word processing equipment. An increase in orders for capital goods is expected next year as the economy begins to recover. This will be beneficial to the economic performance of the New England states, and will help boost restaurant sales.

Massachusetts dominates the New England economy, accounting for more than half of the region's eating place sales. The economic downturn in this state has not been as pronounced as in others within this region. A large proportion of the state's industry is in high-technology manufacturing, which has not been as adversely affected by the recession as have other industries, such as textiles. Restaurant sales in Massachusetts will total $2.4 billion in 1983, a rise of 7.6 percent, similar to the 7.4 percent advance forecast for the region.

Connecticut, which also accounts for a relatively large proportion of the area's eating place sales—almost 24 percent—will record sales of $1.1 billion in 1983. However, the 6.8 percent projected gain for Connecticut is somewhat below the 7.4 percent average anticipated for the region. The population in this state is expected to decline in 1983 and, as a result, income growth is forecast to lag behind the nation's.

New Hampshire is predicted to experience the largest percent increase in eating place sales in the New England region—8.9 percent—reaching a total of $378 million. Total personal income in this state is expected to rise 9.9 percent, considerably faster than the 8.6 percent increase nationally, contributing to this above average gain.

Maine should record eating place sales growth of 7.4 percent in 1983, mirroring that for the region, with sales expected to total $375 million. Both New Hampshire and Maine rely heavily on the tourist industry, and the economic recovery expected in 1983 may result in increased vacation travel to these states. This should have a positive effect on restaurant sales.

The New England economy
Percent change, 1982-1983

State	Manufacturing employment	Non-manufacturing employment	Total personal income
Connecticut	0.2%	2.0%	7.8%
Maine	3.7	2.0	9.6
Massachusetts	1.9	0.9	7.9
New Hampshire	5.3	2.9	9.9
Rhode Island	1.0	0.7	6.5
Vermont	4.2	0.7	6.9
Total region	**1.7%**	**1.4%**	**8.3%**
Total U.S.	**1.8%**	**1.7%**	**8.6%**

Source: *U.S. Chamber of Commerce; adjustments made to total personal income figures by NRA to reflect most current projections.*

In contrast, **Rhode Island** is forecast to have the slowest rise in restaurant sales in the New England region next year—6.0 percent—with sales totaling $283 million.

Outlook for the Middle Atlantic region

Eating place sales forecast to reach $13.4 billion. . .

Sales for eating places in the Middle Atlantic region are forecast to equal $13.4 billion in 1983—an increase of 7.3 percent over 1982. This below average growth can be attributed to the bleak employment outlook. Manufacturing employment is expected to decline, and a relatively low gain is projected in non-manufacturing jobs. In addition, this area is expected to record one of the slowest increases in population in 1983 and this should result in lower income growth than forecast for the nation as a whole.

Middle Atlantic region

State	Eating place sales (000) 1982	 1983	Percent change
New Jersey	$ 2,709,001	$ 2,912,176	7.5%
New York	6,232,342	6,687,303	7.3
Pennsylvania	3,591,785	3,846,802	7.1
Total region	**$12,533,128**	**$13,446,281**	**7.3%**

The economy. . .

The Middle Atlantic region is feeling the effects of the current recession. However, economic performance is improving because of the area's low concentration of employment in consumer durables manufacturing, such as home appliances, which has been adversely affected by the downturn. Nonetheless, the region continues to have problems: It still relies heavily on steel as a major source of employment and income, plants and equipment are outdated and the population, which had been declining, is expected to increase only slightly in 1983.

Economic recovery in the Middle Atlantic states should begin during 1983. However, it will be modest and will lag behind the nation's as a result of the below average gains in employment and total personal income.

Restaurant sales in New York total $6.7 billion. . .

Eating place sales in **New York,** which account for half of the region's total, will equal $6.7 billion in 1983—an increase of 7.3 percent over the prior year. The New York City economy is experiencing above average growth as many service jobs are currently moving back into the city. Growth in non-manufacturing employment, which includes the services industries, will mirror that for the region—0.7 percent.

Restaurant sales in **New Jersey** are predicted to total $2.9 billion next year, up 7.5 percent over 1982, representing the most rapid gain among the Middle Atlantic states. New Jersey is projected to record above average growth for the region in both manufacturing and non-manufacturing employment as well as in total personal income in 1983. All these factors will have a positive effect on restaurant sales. Performance in New Jersey's auto-related industries should improve in 1983 as car sales are expected to rise, and this should contribute to the above average gains in employment and income.

Eating place sales growth in **Pennsylvania** should be the slowest in the region. Projections indicate a 7.1 percent increase for 1983—with sales reaching $3.8 billion. Manufacturing employment in this state is expected to decline 0.2 percent next year due to its dependence on the steel industry. In addition, the population in Pennsylvania is forecast to decline in 1983 and growth in total personal income will lag behind the nation's, contributing to the slower advance in eating place sales.

The Middle Atlantic economy
Percent change, 1982-1983

State	Manufacturing employment	Non-manufacturing employment	Total personal income
New Jersey	0.3%	0.9%	7.4%
New York	−0.7	0.7	7.1
Pennsylvania	−0.2	0.6	7.3
Total region	**−0.3%**	**0.7%**	**7.2%**
Total U.S.	**1.8%**	**1.7%**	**8.6%**

Source: *U.S. Chamber of Commerce; adjustments made to total personal income figures by NRA to reflect most current projections.*

Outlook for the East North Central region

Eating place sales to equal $18.2 billion. . .

Eating place sales in the East North Central region are forecast to equal $18.2 billion in 1983, up 6.5 percent from $17.1 billion in 1982. This represents the slowest regional sales gain in the nation. Because the East North Central region relies heavily on auto manufacturing and related industries, which have been depressed for three years, this area is experiencing the most severe downturn of any region in the U.S.

East North Central region

State	Eating place sales (000) 1982	1983	Percent change
Illinois	$ 5,036,178	$ 5,368,566	6.6%
Indiana	2,006,181	2,140,595	6.7
Michigan	3,933,255	4,161,384	5.8
Ohio	4,198,740	4,471,658	6.5
Wisconsin	1,918,063	2,060,000	7.4
Total region	**$17,092,417**	**$18,202,203**	**6.5%**

The economy. . .

The East North Central region has the highest level of unemployment in the nation, and many of the jobs lost in the auto and related industries may not be recovered due to structural changes within these industries. In addition, new employment opportunities are not likely to materialize for these unemployed auto workers because the industrial mix in the East North Central states is not expected to change. As a result, the region will continue to remain vulnerable to economic recessions and periods of record high interest rates.

Auto sales are expected to increase in 1983, due to declining interest rates and lower price increases on new models. Auto manufacturers are also putting increased emphasis on the quality of new cars. This should help boost auto sales next year and pull the East North Central region, especially Michigan, out of the economic slump. As a result of this brighter outlook for the auto industry, restaurant sales gains should be higher than in recent years.

Illinois, Michigan and Ohio dominate eating place sales in East North Central region. . .

Three states in the East North Central region, Illinois, Michigan and Ohio rank among the top 10 states nationwide in terms of eating place sales volume. (See map on page 22.) However, they are not among the top 10 states in terms of projected sales growth for 1983. Restaurant sales in **Illinois** should total $5.4 billion in 1983, a gain of 6.6 percent. Growth in non-manufacturing employment in Illinois should approximate that for the country as a whole—1.6 percent. In addition, total personal income in 1983 is expected to rise at a rate similar to that for the region—6.8 percent—contributing to increased restaurant sales in Illinois.

Eating place sales gains in **Michigan** are projected to be among the slowest in the nation—5.8 percent—reaching a total of $4.2 billion. Real sales in this state, based on a 6.0 percent increase in menu prices, should decline slightly, 0.2 percent, in 1983. Michigan has the highest rate of unemployment among the East North Central states and in the nation as a whole. This is a significant factor contributing to the projected below average growth in eating place sales. An improved auto sales picture for 1983 may help boost the state's economy and add to restaurant sales.

Eating place sales in **Ohio** are expected to equal $4.5 billion in 1983, up 6.5 percent from 1982, mirroring growth for the region. Manufacturing employment is forecast to decline 0.5 percent in Ohio in 1983 due to the depressed state of the rubber industry, which accounts for a disproportionate share of employment and income in the state. In addition, gains in non-manufacturing employment and total personal income will lag behind that for the U.S. as a whole.

Restaurant sales in **Indiana** are forecast to equal $2.1 billion in 1983—up 6.7 percent from the prior year and slightly faster than the 6.5 percent advance expected for the region. Manufacturing employment is predicted to record a strong, 3.5 percent, advance in this state next year and can be attributed to the recovery expected in the auto industry.

Restaurant sales in **Wisconsin** should total $2.1 billion next year, up 7.4 percent from $1.9 billion in 1982. Manufacturing employment in this state is expected to record an above-average—2.2 percent—gain, contributing to the strong rise expected in restaurant sales.

The East North Central economy
Percent change, 1982-1983

State	Manufacturing employment	Non-manufacturing employment	Total personal income
Illinois	−1.9%	1.6%	6.8%
Indiana	3.5	1.0	7.3
Michigan	6.3	0.1	6.7
Ohio	−0.5	1.0	7.1
Wisconsin	2.2	1.0	6.6
Total region	**1.4%**	**1.0%**	**6.9%**
Total U.S.	**1.8%**	**1.7%**	**8.6%**

Source: *U.S. Chamber of Commerce; adjustments made to total personal income figures by NRA to reflect most current projections.*

Outlook for the West North Central region

Eating place sales forecast to reach $7.6 billion in 1983. . .

Eating place sales in the West North Central region are projected to reach $7.6 billion in 1983—up 8.4 percent from 1982. Growth in manufacturing employment in this area is forecast to mirror that for the U.S. in 1983—1.8 percent. In addition, total personal income will rise at a rate similar to that for the nation, contributing to the increase in restaurant sales.

West North Central region

State	Eating place sales (000)		
	1982	1983	Percent Change
Iowa	$1,068,839	$1,155,415	8.1%
Kansas	1,034,947	1,129,127	9.1
Minnesota	1,681,272	1,812,411	7.8
Missouri	2,093,474	2,273,512	8.6
Nebraska	599,138	648,267	8.2
North Dakota	242,508	264,091	8.9
South Dakota	279,583	307,821	10.1
Total region	**$6,999,761**	**$7,590,644**	**8.4%**

The West North Central states are feeling the repercussions of the 1981-1982 recession due primarily to their dependence on agriculture, which accounts for a disproportionate share of the region's income. Farm income has declined for the past two years as a result of record grain crops and decreased demand due to the depressed world economy. USDA is forecasting another record grain crop this year and farm income is expected to continue to fall. In addition, farmers have incurred a large debt burden as they had to borrow heavily during periods of record high interest rates. They have been slow to repay this debt as production costs are higher than the prices received for their crops. However, the government's farm price supports should help minimize the decline in farm income in 1983.

Other industries located in this region, such as mining in North and South Dakota as well as defense-related and service industries, are becoming increasingly important and will account for much of the projected growth.

Economic recovery in the West North Central states is expected to begin during 1983, and it should increase significantly if the U.S. finds overseas markets for its grain. In addition, unemployment in the West North Central states is below the national average. These factors should contribute to the increase in eating place sales forecast for this region.

Missouri and Minnesota dominate the West North Central economy, accounting for 54 percent of eating place sales in the area. Sales in **Missouri** are expected to total $2.3 billion in 1983—an 8.6 percent increase over 1982. Manufacturing employment is forecast to rise 1.9 percent next year, slightly above the 1.8 percent increase nationally. Missouri has the largest concentration of employment in manufacturing among the West North Central states. Jobs are centered primarily in auto and related industries, which are expected to begin their recovery in 1983. As a result, growth in eating place sales in Missouri should be above average.

Restaurant sales in **Minnesota** are forecast to increase 7.8 percent in 1983, the slowest gain in this region, reaching a total of $1.8 billion. Below average gains in employment and income are significant factors contributing to the lower growth in eating place sales in Minnesota.

South Dakota and Kansas will record the most rapid gains in restaurant sales among the West North Central states. Eating place sales in **South Dakota** are estimated to reach $308 million in 1983, up 10.1 percent from $280 million in 1982. This above average growth can be attributed to the strong, 3.8 percent, increase expected in manufacturing employment, as well as the 9.8 percent advance forecast for total personal income. **Kansas** is expected to record a 9.1 percent advance in eating place sales next year for a $1.1 billion total. This state should post growth in manufacturing and non-manufacturing employment as well as above average increases in personal income—all contributing to the strong advance anticipated in restaurant sales.

North Dakota is projected to experience an above average—8.9 percent—increase in eating place sales in 1983. This can be attributed to the 1.7 percent gain expected in non-manufacturing employment as well as the strong, 8.7 percent, advance forecast for total personal income.

The West North Central economy Percent change, 1982-1983

State	Manufacturing employment	Non-manufacturing employment	Total personal income
Iowa	1.3%	0.5%	7.8%
Kansas	2.8	2.9	9.5
Minnesota	1.4	1.2	7.7
Missouri	1.9	1.6	8.4
Nebraska	2.2	1.7	8.0
North Dakota	1.0	1.7	8.7
South Dakota	3.8	1.0	9.8
Total region	**1.8%**	**1.5%**	**8.3%**
Total U.S.	**1.8%**	**1.7%**	**8.6%**

Source: *U.S. Chamber of Commerce; adjustments made to total personal income figures by NRA to reflect most current projections.*

Outlook for the South Atlantic region

Eating place sales projected to total $16.2 billion in 1983. . .

The South Atlantic states are expected to record a 9.2 percent increase in eating place sales in 1983, reaching a total of $16.2 billion. This above-average performance can be attributed to strong gains in manufacturing and non-manufacturing employment next year as well as in total personal income. In addition, the number of people residing in this region is forecast to rise 1.4 percent in 1983, and this should also help boost restaurant sales.

The economy. . .

The South Atlantic region is feeling the impact of the current recession, but it is less severe than in other areas of the country. However, the region's economic performance is difficult to characterize due to the lack of uniformity among the states. The states in the northern half of the region exhibit many attributes characteristic of the Middle Atlantic region, such as slow income and population growth as well as high levels of unemployment, while the states in the southern half of the region have experienced more rapid growth.

The South Atlantic region has many strengths, including its ability to attract new business because of an advantageous tax structure, relatively lower wages and lower energy costs. These factors should contribute to the region's projected improvement in economic activity in 1983. In addition, this area has a large number of theme (amusement) parks and national parks. Travel and tourism to this region should increase in 1983 as the long awaited economic recovery begins.

Taken together, these factors should have a positive effect on the region's restaurant industry next year.

Florida to post most rapid growth among the South Atlantic states. . .

Florida, which accounts for 36 percent of the region's eating place sales, is expected to post the most rapid growth among the South Atlantic states in 1983. Tourism is projected to increase in Florida next year; and if predictions of an extremely cold winter in the north and midwest hold true, gains could be better than expected. Restaurant sales are projected to reach $5.8 billion—up 10.6 percent from $5.2 billion in 1982. The population in Florida is forecast to increase 3.1 percent next year, well above the 1.0 percent average for the country as a whole. Total personal income should advance 10.4 percent in 1983, also well above the 8.6 percent rise projected for the nation.

North Carolina will also post an above-average, 9.3 percent, increase in eating place sales next year with sales reaching almost $2 billion. As the housing industry begins to recover in 1983, performance in the state's furniture and household goods industries—such as draperies and carpets—is expected to improve. As a result, strong gains are projected in both manufacturing and non-manufacturing employment as well as in total personal income. These factors should contribute significantly to the above average increase in restaurant sales.

Virginia is also expected to benefit from improved performance in the furniture and household goods industries. Restaurant sales are projected to total $2.2 billion in 1983, up 8.6 percent from the prior year.

Georgia should post a strong, 9.0 percent, advance in eating place sales next year. Anticipated increases in travel and tourism as well as a pick-up in lumber-related industries in 1983 should benefit the Georgia economy. **South Carolina**

South Atlantic region

State	Eating place sales (000) 1982	1983	Percent change
Delaware	$ 199,661	$ 217,431	8.9%
District of Columbia	442,069	468,151	5.9
Florida	5,240,355	5,796,054	10.6
Georgia	1,996,938	2,176,662	9.0
Maryland	1,665,145	1,791,696	7.6
North Carolina	1,805,655	1,973,581	9.3
South Carolina	978,107	1,064,180	8.8
Virginia	2,010,774	2,183,700	8.6
West Virginia	449,972	483,270	7.4
Total region	**$14,788,876**	**$16,154,725**	**9.2%**

The South Atlantic economy
Percent change, 1982-1983

State	Manufacturing employment	Non-manufacturing employment	Total personal income
Delaware	2.7%	2.7%	9.3%
District of Columbia	0.8	0.8	6.6
Florida	2.6	2.4	10.4
Georgia	2.1	1.7	8.8
Maryland	1.0	1.1	7.8
North Carolina	2.2	2.0	9.6
South Carolina	2.0	1.9	9.1
Virginia	1.9	1.9	8.7
West Virginia	0.8	0.4	7.6
Total region	**2.0%**	**1.8%**	**9.2%**
Total U.S.	**1.8%**	**1.7%**	**8.6%**

Source: *U.S. Chamber of Commerce; adjustments made to total personal income figures by NRA to reflect most current projections.*

restaurant sales should also benefit from increased travel and tourism in 1983. Eating place sales should exceed one billion dollars next year.

Northern half of region to record below average growth. . .

In contrast, states located in the northern half of this region, such as Maryland, West Virginia, Delaware and the District of Columbia, are expected to record below average growth in eating place sales next year. Sales for eating places in **Maryland** are estimated to total $1.8 billion in 1983, up 7.6 percent from 1982. Gains in both manufacturing and non-manufacturing employment and total personal income should be below average in 1983 primarily because Maryland is dependent on the steel and auto industries and on government employment. **Delaware's** dependence on heavy industry should also hold down restaurant sales to some extent next year. Eating place sales are forecast to reach $217 million in 1983, up from $200 million in 1982.

Restaurant sales in **West Virginia** are projected to equal $483 million next year, a 7.4 percent gain from $445 million in 1982. This state depends heavily on coal mining as a source of employment and income. Large stockpiles of coal have caused many companies to cut back production and have forced layoffs which should adversely affect restaurant sales in West Virginia in 1983.

The **District of Columbia** is projected to record the slowest advance in eating place sales in this region in 1983—5.9 percent—with total sales of $468 million. Non-manufacturing employment is expected to increase 0.8 percent versus a considerably faster 1.7 percent advance projected nationally. President Reagan's budget cutbacks have caused a reduction-in-force in many government agencies. In addition, increases in the local government workforce are slower than in previous years, contributing to the area's below average growth.

Outlook for the East South Central region

Eating place sales equal $4.8 billion in 1983. . .

Eating place sales in the four states that comprise the East South Central region are expected to equal $4.8 billion in 1983—up 9.0 percent from $4.4 billion in 1982. This gain is somewhat faster than the 8.5 percent increase forecast for the U.S as a whole. Contributing to the region's rise in eating place sales in 1983 are projected above average gains in manufacturing employment, up 2.4 percent, and total personal income, up 9.3 percent.

East South Central region

State	Eating place sales (000) 1982	1983	Percent change
Alabama	$1,133,018	$1,234,990	9.0%
Kentucky	1,157,284	1,256,810	8.6
Mississippi	672,167	738,039	9.8
Tennessee	1,451,667	1,579,414	8.8
Total region	$4,414,136	$4,809,253	9.0%

Tennessee, which accounts for nearly one-third of the region's eating place sales, is forecast to have sales of $1.6 billion in 1983, an increase of 8.8 percent over 1982's total of $1.4 billion. Restaurant sales in 1982 were helped by the World's Fair, which attracted 11 million visitors, but 1983 will not have such an attraction. As a result, eating place sales should be slower than in 1982, but an above average increase in non-manufacturing employment should benefit the Tennessee economy and restaurant sales.

Mississippi, the only state in this region with eating place sales below $1 billion, should post the largest percent increase in restaurant sales in this area next year. Sales are expected to total $738 million—up 9.8 percent from $672 million in 1982. Growth in manufacturing employment and total personal income are projected to be above both the average for the region and the country as a whole, accounting for this optimistic forecast.

The increase in eating place sales in **Alabama** next year is expected to mirror that for the region—9.0 percent. Total sales will rise to $1.2 billion. A 3.3 percent increase in manufacturing employment, due to many auto workers being called back, will help restaurant sales in this state.

The East South Central economy
Percent change, 1982-1983

State	Manufacturing employment	Non-manufacturing employment	Total personal income
Alabama	3.3%	2.1%	9.4%
Kentucky	2.8	1.0	8.9
Mississippi	2.9	1.7	9.8
Tennessee	1.4	2.1	9.3
Total region	2.4%	1.7%	9.3%
Total U.S.	1.8%	1.7%	8.6%

Source: *U.S. Chamber of Commerce; adjustments made to total personal income figures by NRA to reflect most current projections.*

Restaurant sales in **Kentucky** are projected to total $1.2 billion in 1983, up almost $100 million from 1982. Manufacturing employment is forecast to rise 2.8 percent, slightly better than the regional average gain of 2.4 percent. However, non-manufacturing employment should increase only 1.0 percent.

Outlook for the West South Central region

Eating place sales to exceed $10 billion in 1983. . .

Eating place sales in the West South Central region should advance 10.8 percent in 1983, the strongest regional percentage gain in the nation. Sales are expected to reach $10.8 billion—up from $9.8 billion in 1982. While this area recently experienced a slowdown in its rapid rate of economic growth, the downturn has not been as severe as in other regions. The worldwide oil glut, declining oil prices and a slowdown in oil and gas exploration have adversely affected the region in 1982 and will probably continue to affect it in 1983. However, the economies of the states in this region are in relatively good shape, and the outlook for restaurant sales is therefore relatively bright for 1983. Employment and personal income gains should substantially outpace those for the country as a whole, providing a good environment for restaurant sales growth.

West South Central region

State	Eating place sales (000) 1982	1983	Percent change
[illegible]	[illegible]	[illegible]	[illegible]
Louisiana	1,298,966	1,426,265	9.8
[illegible]	[illegible]	[illegible]	[illegible]
Texas	6,835,812	7,623,045	11.5
[illegible]	[illegible]	[illegible]	[illegible]

Eating place sales in Texas to equal $7.6 billion. . .

Texas, which accounts for 70 percent of the region's total eating place sales, is forecast to report sales of $7.6 billion in 1983, a gain of 11.5 percent. Texas continues to experience strong increases in population, employment and income, all of which have a positive effect on restaurant sales. However, cutbacks in oil and gas exploration have slowed economic growth in Texas somewhat, but the state's overall economy and its restaurant sales are not expected to be unduly hurt by this situation.

Louisiana and Oklahoma should also record strong gains in restaurant sales in 1983 despite the repercussions of a declining energy industry. Sales in **Louisiana** are expected to rise 9.8 percent, reaching a $1.4 billion total. An above average rise in total personal income in 1983 should contribute to the strong increase in restaurant sales for this state.

Strong gains in both manufacturing and non-manufacturing employment as well as total personal income are forecast to contribute to the rise in eating place sales expected in **Oklahoma** in 1983. Sales are expected to reach $1.1 billion, up 9.3 percent from $1.0 billion in 1982.

In contrast, **Arkansas,** the only state in this region with eating place sales below the $1.0 billion level, will record the slowest percentage gain. Sales in this state are projected to total $657 million in 1983, up 8.3 percent from $606 million in 1982. A relatively poor gain in personal income, up only 8.0 percent, helps explain projections expected for restaurant sales in Arkansas.

**The West South Central economy
Percent change, 1982-1983**

State	Manufacturing employment	Non-manufacturing employment	Total personal income
[illegible]	[illegible]	[illegible]	[illegible]
Louisiana	1.0	1.3	9.6
[illegible]	[illegible]	[illegible]	[illegible]
Texas	3.0	3.4	11.4
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

Source: *U.S. Chamber of Commerce; adjustments made to total personal income figures by NRA to reflect most current projections.*

Outlook for the Mountain region

Eating place sales to reach $5.4 billion in 1983. . .

Eating place sales in the Mountain region are forecast to total almost $5.4 billion in 1983, up 10.2 percent from $4.9 billion in 1982. This gain in eating place sales is considerably above the 8.5 percent increase projected for the nation. Most states in this area should post better-than-average gains in employment and income in 1983, providing a beneficial operating environment for the restaurant industry.

The Mountain region is one of the most rapidly growing areas of the U.S.; however, it has been adversely affected by the current recession due to declining oil and gas prices, slower growth in high-technology industries and lower government employment. The energy industry in this region also has been affected by a downturn in the area's uranium industry. In addition, several oil shale projects have been cancelled, and coal production is sagging.

High-technology industries, which account for a disproportionate share of factory jobs in the Mountain states, are experiencing slower growth, and some have been forced to lay off workers. As a result, economic recovery is not expected to begin in this region until 1983 when demand for high technology goods should increase. However, in spite of the repercussions of the current recession, the Mountain area is still in better shape economically than most other regions of the country and should be in good shape next year.

Colorado and Arizona account for more than half, 55.6 percent, of total eating place sales in the Mountain region. Restaurant sales in **Colorado** should equal $1.6 billion in 1983, up 10.4 percent from $1.5 billion in the prior year. Sales for eating places in **Arizona** are estimated to total $1.4 billion in 1983, up 11.0 percent from 1982—one of the most rapid gains in the region. Arizona's economy is dependent on mining, tourism and the manufacture of high technology goods, all of which have been somewhat depressed in 1982. However, with an improving economy in 1983, these industries should fare much better, and restaurant sales should be relatively robust. Colorado's economy is dependent on tourism and the oil industry, which have been in a slump during the past year. The upturn in the general economy in 1983 is expected to benefit Colorado.

Wyoming is projected to post the most rapid growth in eating place sales among the Mountain states next year—11.1 percent. Sales are expected to total $221 million, compared with $199 million in 1982. Large increases in manufacturing employment and income are expected to benefit the restaurant industry in Wyoming. **New Mexico** should also experience growth above the 10.2 percent average for this area in 1983. Sales are expected to reach $553 million, up 10.5 percent.

Utah, on the other hand, with projected 1983 restaurant sales of $431 million, should record the slowest gain in restaurant sales among the Mountain states—8.1 percent. Relatively small advances in non-manufacturing employment and income are expected to result in only average growth for eating place sales.

Mountain region

State	Eating place sales (000) 1982	1983	Percent change
Arizona	$1,228,841	$1,364,014	11.0%
Colorado	1,460,678	1,612,588	10.4
Idaho	354,812	387,100	9.1
Montana	306,816	333,509	8.7
Nevada	411,114	452,225	10.0
New Mexico	500,274	552,803	10.5
Utah	398,558	430,841	8.1
Wyoming	199,445	221,583	11.1
Total region	**$4,860,538**	**$5,354,663**	**10.2%**

Restaurant sales gains in **Idaho** and **Montana** are forecast to post below average performance, 9.1 percent and 8.7 percent, respectively. Sales are expected to total $387 million in Idaho and $334 million in Montana. Both of these states are dependent on mining as a major source for employment and income, and the 1983 outlook for coal and aluminum mining is not particularly bright. As a result, this should slow eating place sales advances.

Eating place sales in **Nevada** are projected to equal $452 million in 1983, an increase of 10.0 percent over 1982. Employment is expected to be up considerably in the state, and a better 1983 economy should provide a healthy operating environment for Nevada restaurants.

The Mountain economy
Percent change, 1982-1983

State	Manufacturing employment	Non-manufacturing employment	Total personal income
Arizona	5.2%	4.2%	11.1%
Colorado	3.2	3.9	11.2
Idaho	4.0	0.7	9.0
Montana	4.5	0.8	8.9
New Mexico	1.0	2.3	10.4
Nevada	5.3	4.2	11.0
Utah	3.4	1.1	8.8
Wyoming	10.0	2.4	10.6
Total region	**3.9%**	**3.0%**	**10.5%**
Total U.S.	**1.8%**	**1.7%**	**8.6%**

Source: *U.S. Chamber of Commerce; adjustments made to total personal income figures by NRA to reflect most current projections.*

Outlook for the Pacific region

Eating place sales to total $17.6 billion in 1983. . .

The Pacific region should post a 9.1 percent increase in eating place sales in 1983, reaching a total of $17.6 billion. This gain is well above the 8.5 percent advance projected for the total U.S. The population in this area is estimated to increase 2.1 percent in 1983, considerably higher than the 1.0 percent gain expected nationally, and total personal income is forecast to rise at an above-average, 9.3 percent, rate. All this should contribute to a strong rise in eating place sales in the Pacific states.

The Pacific region is one of the fastest growing areas in the nation, but it has been adversely affected by the current recession. Washington, Oregon and Northern California have been the most severely affected due to their dependence on lumber and housing-related industries. In addition, other industries in the area, such as high-technology manufacturing, have recently begun to experience a downturn as orders for capital equipment, have been slowing.

Despite the decline in activity in these industries, the Pacific region has recorded the most rapid increase in total personal income during the first half of 1982.

This can be attributed to the performance of aerospace, electronics and research and service industries located in the area, which have not been as adversely affected by the current recession as other industries in the region.

The Pacific region should be a prime beneficiary of an improving economy in 1983. Demand for high technology equipment is expected to increase next year as companies find themselves in a better financial position. An increase in auto sales should mean more auto production and a return to work of many laid-off workers, especially in California. In addition, the improved outlook for housing should benefit the Pacific Northwest lumber industry.

California restaurant sales. . .

California dominates eating place sales in the Pacific region, accounting for 73 percent of the total. Sales are forecast to equal $12.8 billion in 1983, up 9.2 percent from $11.8 billion in 1982. The California economy is quite diversified. An economic recovery in 1983 should create more demand for high technology goods produced in the state. Also, auto workers in the state should enjoy a relatively good year. These factors are expected to produce a healthy operating environment for California restaurants.

Alaska leads the Pacific region in terms of sales growth projected for 1983—11.0 percent. Non-manufacturing employment in this state is expected to rise 5.2 percent next year versus a 1.7 percent increase nationally. In addition, total personal income is forecast to advance 11.5 percent, well above the 8.5 percent gain expected for the total U.S. These factors should contribute significantly to the above average eating place sales performance expected in Alaska.

Pacific region

State	Eating place sales (000) 1982	1983	Percent change
Alaska	$ 370,635	$ 411,405	11.0%
California	11,764,623	12,846,968	9.2
Hawaii	579,520	616,609	6.4
Oregon	1,373,447	1,501,178	9.3
Washington	2,015,673	2,199,099	9.1
Total region	**$16,103,898**	**$17,575,259**	**9.1%**

Restaurant sales in **Oregon** are projected to total $1.5 billion in 1983, up 9.3 percent from the prior year. Manufacturing and non-manufacturing gains should outpace the region as a whole, as demand increases for paper and wood products.

Eating place sales in **Washington** are expected to increase 9.1 percent next year, equalling $2.2 billion. The expected increase in housing starts should provide needed impetus to Washington's lumber industry. Continued demand for more fuel-efficient airplanes should benefit the major airplane manufacturer in the state. As a result of these improvements to Washington's economy, employment and income figures should be up in 1983 and restaurant sales should be good.

The Pacific economy
Percent change, 1982-1983

State	Manufacturing employment	Non-manufacturing employment	Total personal income
Alaska	1.0%	5.2%	11.5%
California	3.1	2.5	9.2
Hawaii	1.0	2.1	8.2
Oregon	4.7	3.1	10.2
Washington	3.6	2.2	9.7
Total region	**3.3%**	**2.5%**	**9.3%**
Total U.S.	**1.8%**	**1.7%**	**8.6%**

Source: *U.S. Chamber of Commerce; adjustments made to total personal income figures by NRA to reflect most current projections.*

Hawaii is expected to record the slowest advance in eating place sales among the Pacific states. Sales should reach $616 million in 1983, a 6.4 percent increase over 1982. Tourism is down in Hawaii due to the world economic slump and is expected to remain relatively depressed in 1983, contributing to the below average forecast for eating place sales growth.

Industry sales reach $133.1 billion in 1982

Total foodservice industry sales will reach $133.1 billion in 1982—up 6.4 percent from 1981's $125.1 billion total. Sales for the Commercial Group will equal $112.8 billion—an increase of 6.6 percent. Institutional Group sales are predicted to total $19.6 billion, a gain of 5.1 percent over the year before while foodservice sales in the Military Group will equal $724 million in 1982—a rise of 7.3 percent over 1981.

Eating place sales up 7.8 percent. . .

Eating place sales, which account for 60 percent of total foodservice industry sales, will reach $80.5 billion in 1982, a gain of 7.8 percent over 1981. This increase is somewhat lower than the 10.3 percent and 8.6 percent gains recorded in 1981 and 1980, respectively. A considerable slowdown in the rate of inflation has resulted in a smaller sales gain.

NRA's original forecast for 1982, made in November 1981, predicted eating places would experience sales growth of 10.4 percent. However, menu prices rose at a somewhat slower rate than projected, resulting in this lower rise in sales. (See "Foodservice Trends" section of October 1982 *NRA News*.)

Menu prices, as measured by the Bureau of Labor Statistics Consumer Price Index (CPI) for food away from home, will increase approximately 5.8 percent in 1982, well below NRA's original forecast of 8.4 percent. This increase was lower than predicted due to slower gains in wholesale prices for many commodities such as beef, pork, chicken and dairy products. A slowdown in both energy and labor costs also contributed to the slower than anticipated increase in menu prices in 1982.

Eating places are expected to record real sales growth of 2.0 percent in 1982, marking the second consecutive year of increase. This increase is based on a 7.8 percent rise in eating place sales and a 5.8 percent rise in menu prices. NRA's original forecast called for eating places to record real growth of 2.0 percent in 1982.

Real eating place sales advanced 1.3 percent in 1981 following declines of 0.7 percent and 1.0 percent in 1979 and 1980, respectively.

Readers are reminded that real sales for eating places represent an industry average for full-service restaurants, fast food restaurants and cafeterias, among others. Many operators throughout the country may fare much better in 1982 than these industry-wide figures indicate.

1981-1982 Foodservice industry sales

	Food and drink sales (000)		Percent change	
	1981	1982	Current dollars	Constant dollars
Commercial feeding	$105,832,081	$112,809,736	6.6%	1.6%
Eating places	$ 74,675,114	80,494,945	7.8	2.0
Restaurants & lunchrooms	39,324,429	42,037,815	6.9	1.1
Limited menu restaurants	30,809,321	33,705,397	9.4	3.6
Commercial cafeterias	2,315,442	2,412,690	4.2	−1.6
Social caterers	806,206	814,268	1.0	−4.8
Ice cream, frozen custard stands	1,419,716	1,524,775	7.4	1.6
Bars and taverns	$ 8,321,422	$ 8,737,493	5.0	−0.8
Eating and drinking places	$ 82,996,536	$ 89,232,438	7.5	1.7
Institutional	$ 18,626,610	$ 19,575,061	5.1	−0.6
Military	$ 674,761	$ 724,181	7.3	1.5
Total foodservice industry sales	**$125,133,452**	**$133,108,978**	**6.4%**	**1.2%**

Editor's Note: *Questions concerning this report or requests for additional copies should be directed to the National Restaurant Association, Research and Information Service Department, 311 First Street, N.W., Washington, DC 20001.*

This special report was prepared by Bette Hoyt and Rachel Zachary.

WASHINGTON REPORT

1982 legislation in review

As the economic climate worsened in 1982 and the November general election approached, the second session of the 97th Congress slowed to a near crawl. Depending on how much is accomplished in the special post election session in December, the 97th Congress could go down in history as passing the fewest laws in four decades. Already the second session has distinguished itself as the shortest pre-election session since 1960.

Economic matters all but pushed aside consideration of other domestic issues, leaving many bills either to be considered in the special session or to die for lack of time. Most of Congress' time this year was whittled away by debate on the budget, culminating in a huge $99 billion tax increase this summer.

The Reagan administration offered little new legislation this year. Many legislators, suspicious of spending cuts, spent a great deal of time trying to preserve their favorite programs from further reductions.

NRA has compiled a list of the more notable legislative and regulatory issues of the year for the foodservice industry.

Beef grading proposal withdrawn by USDA. . .

Probably the most gratifying victory for restaurant operators this year was the decision by the U.S. Department of Agriculture (USDA) to withdraw a controversial proposal that would have lowered the federal beef grading standards to allow leaner beef into the Choice and Prime categories.

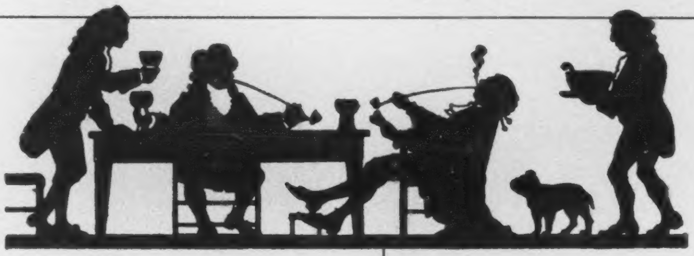
The proposal was vigorously opposed by NRA and consumer groups because it would have resulted in increased prices for the higher-graded cuts of meat.

By publicizing its position through regional press conferences and testifying against the proposal at all five USDA hearings, NRA was able to arouse public opinion against the proposal. In the end, USDA received more than 4,000 comments from all over the country, most of them negative.

In its announcement on Sept. 20, USDA said it was dropping the proposed changes because of a "strong perception that the proposed changes would reduce quality in beef, leading to consumer confusion and possibly even a lessened demand for beef." Of the nearly 800 individuals in the foodservice industry who submitted written comments to USDA concerning the proposal, all but two said they were opposed to it. Of the 2,576 consumers who submitted comments, only 63 favored the proposal. Even among livestock producers, only 10 percent of those who commented said they favored the proposal. Forty-three percent of them favored the proposal with modifications, and 46 percent opposed it.

At this time, USDA has not announced any new plans to change the beef grading standards.

NRA Director Edward O. Elliott interviewed by television news during NRA's press conference in Salt Lake City, UT.



Business meal deduction saved. . .

Faced with the prospect of widespread bankruptcies and the loss of thousands of foodservice jobs, this summer NRA successfully persuaded Congress to drop plans for halving the business meal deduction in favor of a less onerous tip reporting provision.

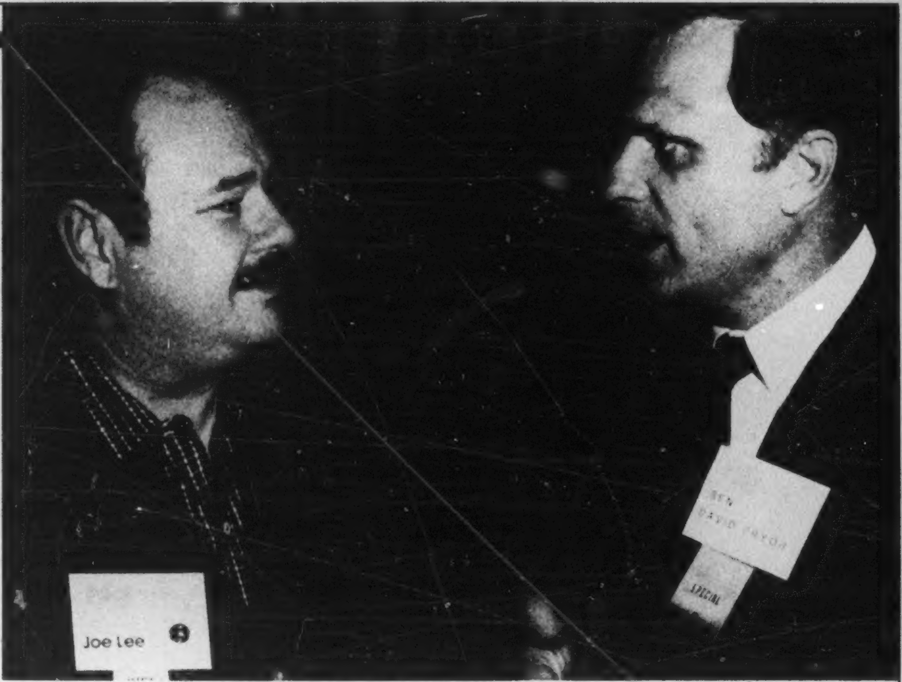
NRA originally opposed the Taxpayer Compliance Improvement Act, a measure introduced by Senate Finance Committee Chairman Robert Dole (R-KS) and Sen. Charles Grassley (R-IA) to reduce the gap between taxes owed the federal government and actual taxes paid. The legislation contained a provision that required increased tip reporting on the part of restaurant operators.

Dole and Grassley's bill was later included as part of the 1982 tax act, a bill that was designed to raise $99 billion in new revenue over a three-year period. Realizing that the tax bill could move quickly to a vote in the

Senate, NRA mobilized its members to help defeat the tip reporting provision. The foodservice industry's opposition was so strong that Sens. David Pryor (D-AR) and Robert Kasten (R-WI) agreed to sponsor an amendment to have the tip reporting provision deleted from the tax bill when it came up for floor consideration.

Despite opposition from Sen. Dole, the bill's floor manager, and the Republican leadership, Pryor and Kasten prevailed in their attempt to have the amendment considered by the Senate. The amendment passed by a vote of 70 to 25. However, Dole seemed determined to squeeze out a set amount of tax revenue from the restaurant industry and subsequently introduced an amendment to halve the business meal deduction. His amendment passed by a narrow margin in a hasty vote taken about 4 a.m. on July 23.

It became clear to NRA in later meetings with House and Senate tax conferees that if the foodservice industry had not been so successful in defeating the Senate tip provision, the industry may well have been saddled with both new tip reporting requirements and some reduction in the business meal deduction. After many meetings with the conferees, NRA was able to convince Congress to drop the business meal provision in favor of the adoption of modified tip reporting requirements.



NRA Vice President Joe Lee (left) chats with Senator David Pryor.

Targeted Jobs Tax Credit extended two years. . .

When Congress passed the tax bill, it also included a two-year extension of the Targeted Jobs Tax Credit (TJTC), a tax break for employers that is used extensively by the foodservice industry. The credit would have expired after Dec. 31 if Congress hadn't acted.

Congress also added a new targeted group: economically disadvantaged youths seeking summer jobs. Employers who hire youth in this category during the summer months will receive an 85 percent credit on the first $3,000 in wages paid. A change in TJTC that will allow certification of an employee the same day he begins work was also accepted.

Changes to child labor rules proposed. . .

Changes to the nation's child labor rules for 14 and 15-year-olds (Regulation 3) were proposed by the Department of Labor (DOL) this past summer. DOL's proposal would extend the number of hours teens can work after school and lift some restrictions on teens who work in foodservice kitchens. If approved, the changes would be of considerable importance to foodservice operators, who employ more teens than any other retail industry.

NRA has pursued changes in the rules since the mid-1970s through letters and meetings with DOL officials. The proposed revisions to Regulation 3 would be the first major rewrite of the rules since 1938. The proposed changes would allow 14 and 15-year-olds to work four hours during a school day instead of the three hours currently allowed, and it would permit 24 hours of work during a school week instead of the current 18. It would also permit a sliding scale of up to 36 hours a week when school is in session only part of a week.

It would also allow teens to work until 9 p.m. on a school night in lieu of the current 7 p.m. cutoff. And the proposal revises a number of occupational restrictions placed on teens, including elimination of a rule that prohibits teens from cooking in foodservice establishments except at soda fountains, lunch counters, snack bars and serving counters in cafeterias.

Action on the proposal is not expected until sometime in 1983.

Immigration bill could see action in special session. . .

A comprehensive immigration control and reform bill (S. 2222, H.R. 6514) that NRA opposes could be taken up in the House before Congress adjourns this year. The bill would require employers to check identification cards of prospective employees to determine whether they are U.S. citizens, and it would subject employers to penalties of up to $2,000 and/or six months in jail for "knowingly" hiring an illegal alien.

The legislation was passed by the Senate on Aug. 17, and it was reported out of the House Judiciary Committee on Sept. 22. The House bill was then referred to four other committees for consideration—Education and Labor, Ways and Means, Agriculture, and Energy and Commerce. These panels have until Nov. 30 to recommend any changes in the measure.

NRA has argued that the bill will increase the paperwork burden on employers and, in effect, shift the burden of enforcing immigration laws from the government to the employer.

Proposal to increase minimum wage penalties runs out of steam. . .

A bill (H.R. 6103) that would triple the amount of damages an employer must pay for minimum wage law violations never reached the floor of the House as some in the business community had feared it would earlier this year.

Sponsored by House Labor Oversight Subcommittee Chairman George Miller (D-CA), the bill would have required employers who violate the Fair Labor Standards Act to pay a fine three times the amount owed an employee in back pay or overtime.

NRA joined other business groups earlier this year in an attempt to squelch the bill at the committee level. U.S. Rep. John Erlenborn (R-IL), ranking minority member on the House Education and Labor Committee, introduced a less stringent substitute during markup on the Miller bill, but Erlenborn's substitute was defeated along party lines by a vote of 14 to 18.

In a letter to members of the House Education and Labor Committee prior to the vote on June 16, NRA charged that the bill was drafted and redrafted hurriedly without sufficient hearings and without employer input. NRA also pointed out that the bill does not make a distinction between employers who unwittingly violate the FLSA and those who deliberately flout the law. NRA also maintains that triple damages are excessive and would jeopardize the Department of Labor's voluntary settlement process.

Although the Miller bill was reported from the Labor Committee with few changes, it never has been brought up for a vote before the full House. Companion legislation to the bill has not been introduced in the Senate.

—Jay Morris

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Director Impeciato addresses Georgia hospitality industry

NRA board member Victor Impeciato, Vittorio's, was the keynote speaker at a banquet co-sponsored by the Georgia Hospitality and Travel Association and the department of hotel restaurant and travel administration of Georgia State University. The banquet, which was held at the Sheraton Atlanta Hotel, followed the completion of a three-day comprehensive education program directed at representatives of the hospitality industry. Impeciato's speech brought attendees up to date on the state of foodservice and NRA activities.

"Foodservice is a growing busines," Impeciato said. "This year's real sales growth is double that of 1981. We expect that next year's real sales growth will be two percent, double this year's accomplishment. But like anything that grows, foodservice needs tending. NRA's activities plant the seeds for that growth."

He called deterring USDA from lowering the federal beef grading standards and eliminating the reduction in the business meal deduction from the 1982 tax bill as "NRA's two greatest successes in 1982."

President Dankos: Virginia restaurateur of the year

The Virginia Restaurant Association named NRA President John Dankos "restaurateur of the year" at its annual meeting, November 4, 1982 in Richmond.

John T. Henicheck, chairman of the awards and recognition committee, cited Dankos' outstanding professional and civic achievements as reasons for this honor.

Dankos told the gathering of local restaurateurs that receiving the award was "a highlight of his career."

THE BOARD ROOM

NRA board members at MUFSO meeting

NRA was out in force for the 23rd annual Multi-Unit Food Service Operators Conference (MUFSO), held at the Washington Hilton Hotel in the nation's capital October 25-27, 1982. NRA President John Dankos, NRA Vice President Joe Lee and a number of board members participated in the three-day conference, which drew attendees from all areas of the foodservice industry.

In a welcoming speech that opened the conference, President Dankos previewed NRA's 1983 economic forecast for the foodservice industry.

"The foodservice industry is growing," Dankos said. "Demographic trends favor us. Our prospects are excellent. I am convinced that if we continue to work together to protect and promote our own interests, we will continue to prosper."

Dankos revealed that foodservice sales are expected to reach $144 million in 1983—an eight percent increase over 1982—and that the two percent real growth expected next year will be the highest since 1977.

NRA Vice President Joe Lee (left) and NRA President John Dankos at MUFSO conference.

Dankos' address highlighted NRA's recent victories—the elimination of the emergency building temperature restrictions, the postponement of a rule that would have raised the salary test for managerial personnel, the exemption from "wash and wear" uniform maintenance requirements and the withdrawal of USDA's proposals to downgrade the beef grading system.

But he urged members of the foodservice industry not to rest on the laurels of success. "We want to keep the trend toward less regulation going," Dankos maintained. "We want to kep the regulators and legislators in Washington mindful of our needs and priorities. To do that we need the participation of every NRA member and the united strength of all segments of foodservice."

Also participating as keynote speakers were NRA Vice President Joe Lee, General Mills, Restaurant Group, and NRA Director Jim Peterson, Whataburger, Inc. Other NRA directors participating at the conference were John Cauley, Jr., Friendly Ice Cream Corp.; Ralph Evans, Evans Farm Inn; Mike O'Neal, The Ginger Man Group; and Harris Rusitzky, Serv-Rite Corp.

Also in attendance were Honorary Director Tony Athanas, Anthony's Pier Four, Inc.; Associate Director Bill Edwards, Hilton Hotel Corp.; and NRA Executive Vice President Bob Neville. *—Dorothy Dee*

STATE DEPARTMENT

Computerized reporting system for tracking state bills

When the state legislatures convene in regular session in 1983, the National Restaurant Association's State Relations Department will have a computerized reporting system to keep its staff current on legislation affecting foodservice operators across the country.

The revitalization of President Reagan's "New Federalism" program and an anticipated heavier concentration of state legislative activity necessitates a more comprehensive state legislative tracking service for NRA members and the foodservice industry.

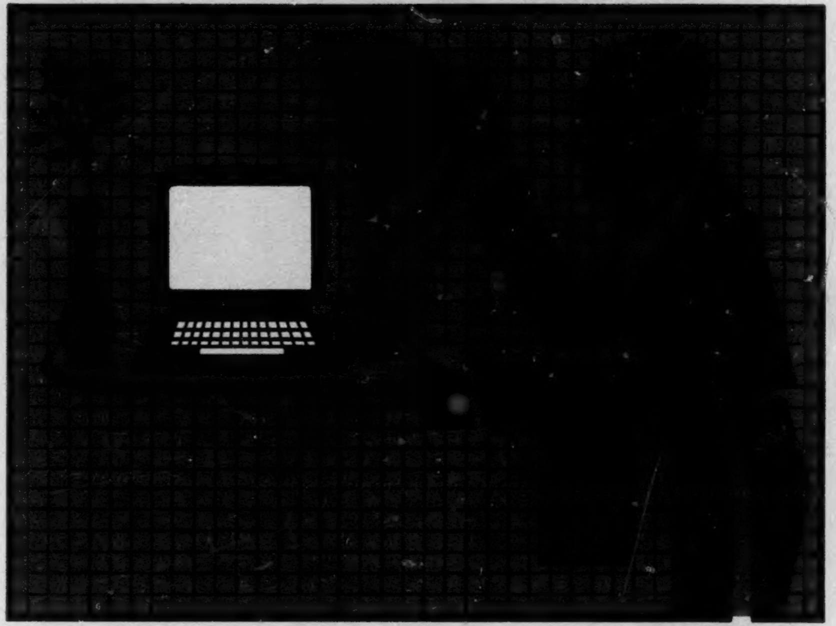
The new system will allow NRA, for the first time, to search and segregate bills by status, such as new introductions, pending and defeated actions, and new laws. This capability will help the state relations department to identify foodservice-related legislation on a state-by-state basis.

The computer system will also supply

- a "headlines" banner to alert users to highlights of state legislative deadlines or special sessions. This type of information has not been available in the past and will be useful in alerting the NRA staff to scheduled hearings, mark-ups and committee inquiries
- expanded bill summaries to reflect the legislative effect on restaurateurs
- action reports to highlight those bills, by state and bill number, which have been active since a specified date.

The NRA state relations department is optimistic that, despite the large number of bills expected to be introduced for consideration in 1983, this new system will make it possible to track all state legislation that can affect the restaurant industry and to keep NRA members informed about the status of bills in their states of operation.

—Elizabeth Hendrix



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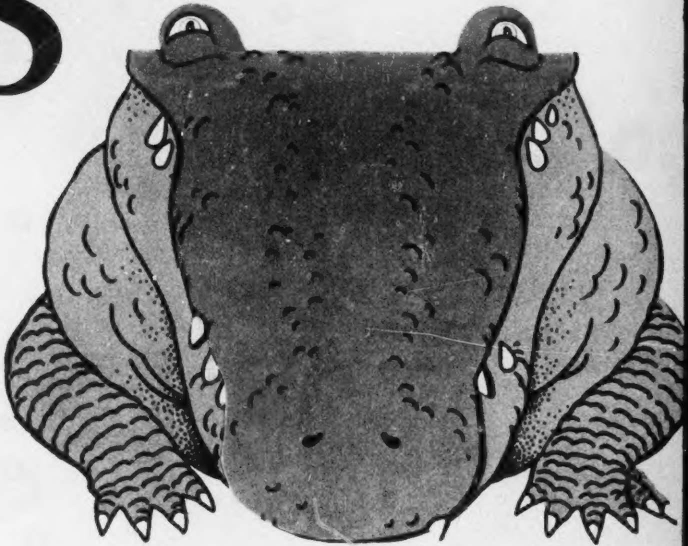
CHILDREN'S MENUS ARE•MORE THAN•JUST TOY$



BY CAROL CAPRIONE

Several award-winning restaurateurs and a menu specialist share their ideas on why and how to attract children into restaurants by creating separate menus for kids.

Children—don't ignore them. They're more powerful and influential than you might think. In fact, children under 13 who dine with their families are responsible for choosing the restaurant 35.8 percent of the time. (See August *NRA News*.) Restaurateurs are beginning to realize the clout that children have over their parents' decision of where to eat, and they are doing their best to lure youngsters into their restaurants.

Why children's menus. . .

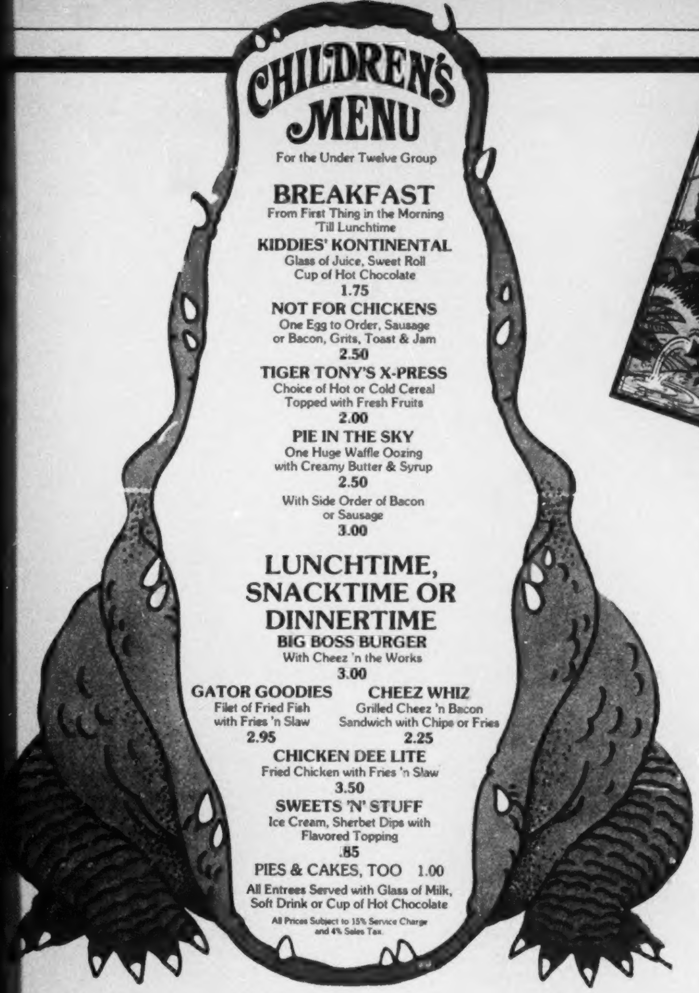
Probably one of the single most effective ways of appealing to children is by giving them a separate menu. Graham Asher, general manager of the Kiawa Island Co. in Charleston, SC, and winner of NRA's Bronze award in last year's Great Menu Awards Contest, explains why he feels it's necessary to have a separate children's menu. "We used to have a children's section on our regular menu but that wasn't good enough. We feel that a family restaurant must cater to the children, and we found a separate menu well worthwhile because it kept the children occupied and that made the parents happy."

James K. Millard, account supervisor for Abbott Advertising and menu designer for Jerry's Restaurants in Lexington, KY—winner of the Gold Award in the 1982 Great Menu Awards Contest—agrees that children are significant customers. "Parents do not like their children to be ignored in restaurants. When they are not in a rush, parents prefer to take the kids to full service restaurants because that's an educational experience: Their children learn proper eating and table manners," says Millard.

Barbara Rubin of Tony Roma's in Miami, FL, believes children's menus can be effective promotional tools. Tony Roma's prints its children's menu on a sun visor. "The sun visor means something to the kids. They can play with it, put it on their heads and take it home. Hopefully it also reminds the parents of Tony Roma's the next time they want to take the family out to eat," explains Rubin.

Less sharing of adult meals. . .

Rubin also revealed how a separate menu adds to bottom-line profits. "Before the children's menu was created, parents



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TIGER TONY'S X-PRESS
Choice of Hot or Cold Cereal
Topped with Fresh Fruits
2.00

PIE IN THE SKY
One Huge Waffle Oozing
with Creamy Butter & Syrup
2.50
With Side Order of Bacon
or Sausage
3.00

LUNCHTIME, SNACKTIME OR DINNERTIME

BIG BOSS BURGER
With Cheez 'n the Works
3.00

GATOR GOODIES
Filet of Fried Fish
with Fries 'n Slaw
2.95

CHEEZ WHIZ
Grilled Cheez 'n Bacon
Sandwich with Chips or Fries
2.25

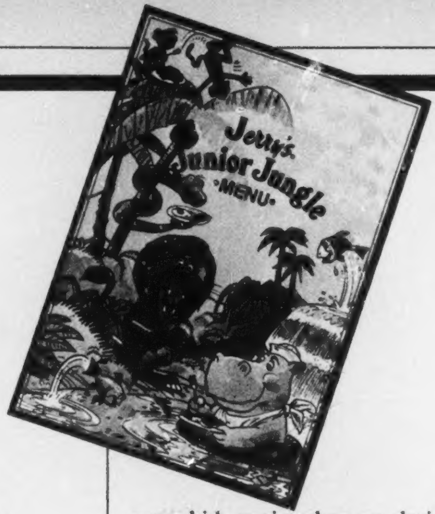
CHICKEN DEE LITE
Fried Chicken with Fries 'n Slaw
3.50

SWEETS 'N' STUFF
Ice Cream, Sherbet Dips with
Flavored Topping
.85

PIES & CAKES, TOO 1.00

All Entrees Served with Glass of Milk,
Soft Drink or Cup of Hot Chocolate

All Prices Subject to 15% Service Charge
and 4% Sales Tax.



were ordering an entree for themselves and giving their kids part of their dinner. The children's menu discourages that."

Mike Terranova, administrative assistant to the president of Lum's Restaurant Corporation in Miami, FL, told *NRA NEWS* that printing a series of children's menus can increase return business. "We have four menus with separate themes or concepts: The World's Fair, space exploration, winter sports and family outings (to Lum's).

Each theme includes a punch-out section that kids can take home and collect. We rotate the menu about every 20 to 30 days. The kids want to come back and collect the complete set." The punch-out section for the space menu, for example, depicts a space shuttle, male and female astronauts, a launch pad and a command station. Facts about the shuttle are also printed on the menu.

Franz Viertbauer of Holiday Inns in Memphis, TN, and winner of NRA's Silver Great Menu Award in 1982, explains how a children's menu is an investment in the future. "We feel that if we make the dining experience fun for the kids, it will stay in their memory; and they will think of Holiday Inns as a place to go when they are grown up."

Spaceships and alligators. . .

Children's menus can also be a creative outlet for restaurateurs. As Franz Viertbauer of Holiday Inns says: "We can become kids again when we design children's menus. They offer a lot more room for innovation and creativity."

Viertbauer's Holiday Inn menu reflects this spirit of excitement. It is shaped like a space ship. The menu, which pulls out of the spaceship's tail, offers timeless favorites with a space-age twist. For example, youngsters can choose "space dust"—cold cereal sprinkled with bananas and milk—or a "sun burst"—one egg launched any way you like it, or a "flying saucer"—two orbiting pancakes with butter and syrup.

Even the traditional peanut butter and jelly sandwich tastes far more exotic when it's billed as a "star crester" or a hamburger when it is called "the planet."

The Kiawa Island Company's children's menu looks like a green alligator. When you open the alligator's mouth, you can read about such things as "gator goodies"—filet of fried fish with fries and slaw.

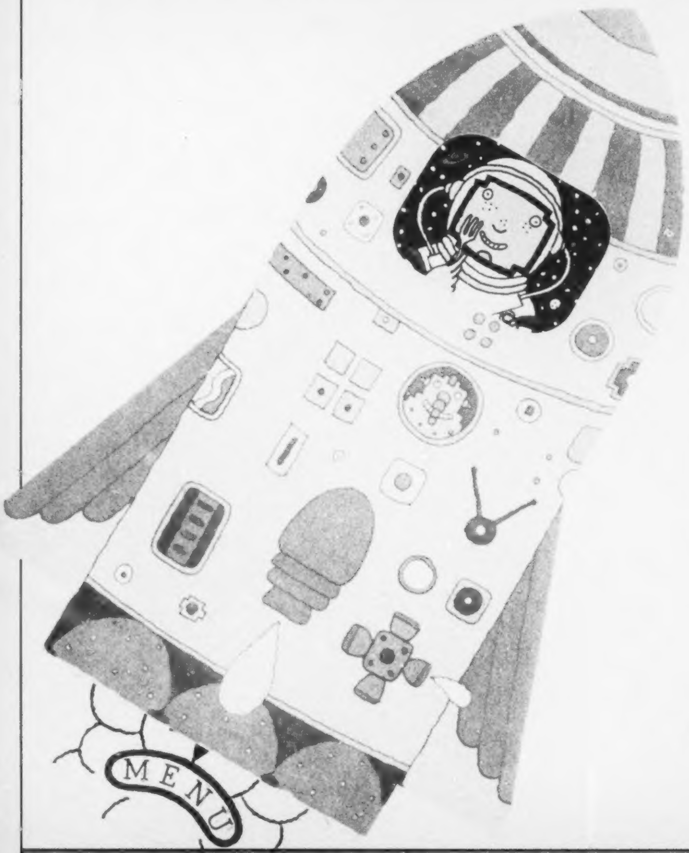
General Manager Graham Asher explained why the restaurant chose this theme. "We have plenty of alligators on the island, and they create a lot of curiosity. We felt this was the most distinctive item we could feature. We've been using the menu for about three years now, and we have no desire to change because it's been extremely profitable for us. It was designed to appeal to children. They love it and take it home with them. We lose about 6,000 menus a year, but we don't mind because the words Kiawa Island on the back of the menu work as a promotion piece for us."

Tony Roma's sun visor motif was chosen for the children's menu because the restaurant had printed thousands of sun visors as giveaways during the University of Miami football games and at the Orange Bowl, but didn't use them all. "All we needed to do was stick the kid's menu over the game schedules," says restaurant representative Barbara Rubin. This has worked out so well that the restaurant is planning to expand the program to its branches in California and Georgia.

Not only menus. . .

Jerry's Restaurants in Lexington, KY, has taken the children's menu concept one step further and has designed a package of materials for children around the restaurant's colorful, jungle-theme menu. The collateral items include crayons, coloring/puzzle placemats, table talkers (one 4 x 6 inch card that promotes the kid's menu) and a baby's bib.

The menu, which won the 1982 gold award in NRA's



Great Menu Contest, shows cartoon animals—such as a lion with a hamburger—eating entrees offered on the menu. The food descriptions support the visuals. For example, the hamburger is described as a "lion-size beef burger. . . . The King of the Jungle says it's 'Grrr-eat!'"

"We wanted to go after the kids like we do any other customer," explains menu designer James Millard. "We're cultivating customers for future use." The menu and collateral items must be serving their purpose, Millard adds because "the number of families with children dining at Jerry's increased from 12 to 21 percent of customer traffic."

Springboard for other menu ideas. . .

Children's menus can spark ideas for the regular menu or customer promotions. Tony Roma's, for example, decided that adults, too, need to be entertained while they wait, so the restaurant joined forces with Scandanavian World Cruises and WKP radio and created a promotion.

"Patrons fill out 'rib ticklers'—a joke or limerick. Each week, for six weeks, we award one trip for two for the best entry in each of our 16 South Florida restaurants—96 cruises in all," explains restaurant representative Rubin. "We are getting a lot of attention, and customers don't notice they are waiting if they have something to do."

Editor's Note: Applications for entries for NRA's 1983 Great Menu Contest are now available. Contact Elyse Cuttler at NRA. Entry deadline is Feb. 28, 1983.

Pointers from a menu pro

HOW TO DESIGN A CHILDREN'S MENU

NRA NEWS consulted menu specialist Marybeth Austin, president, Seattle Menu Specialists, Inc., Seattle, WA, for advice to restaurateurs who might want to develop a separate menu for children. Here are her pointers.

- **Limit the selection of items.** Children can become confused with too many choices. By sticking to such standard favorites like hamburgers, chicken, hot dogs and grilled cheese, you can please the kids and keep costs down. (None of the restaurants *NRA NEWS* interviewed offered more than six entrees at a given meal and some offered only three.)
- **Reduce both portion size and price.** The modest price will encourage parents to order a separate meal for their children rather than sharing their own entrees. Often the children's portion is about half the size of the adult entree—and is priced accordingly.
- **Make sure the menu is involving and entertaining.** A surefire way to hold the attention of youngsters is to give them something to punch out, put together, draw on or fold. "Parents like menus that are involving because they keep the kids quiet. Other restaurant guests appreciate that, too," says Marybeth Austin.
- **Give children something to take home.** A series of take-home collectibles are extremely effective in attracting repeat business. "The kids clamor to come back and get a complete set," says Austin.
- **Keep the language simple and straightforward.** This is the kid's menu and it should be geared to them—whether they can read the menu themselves or must have an adult read it to them. "Children who are old enough to read might appreciate theme-oriented names for the entrees, but be careful not to get too wordy or cutesy," warns Austin.
- **Be sure the menu is visually stimulating.** This is one of the key elements. All kids like to look at pictures—especially children who can't read.

NRA SEMINAR SCHEDULE

Banquets and Buffets

Jan. 31-Feb. 1	Los Angeles, CA

Bar Management

Jan. 24-26	Portland, OR
Feb. 28-Mar. 2	San Diego, CA

Controlling Beverage Costs

Jan. 19	Sacramento, CA
Feb. 1	Corpus Christi, TX
Feb. 3	Lubbock, TX
Feb. 10	Los Angeles, CA
Feb. 17	Oklahoma City, OK

Off-Premise Catering

Feb. 14-15	San Francisco, CA

Computers

Feb. 14	Atlanta, GA

Dining Room Management

Jan. 17	Baton Rouge, LA
Jan. 20	Albuquerque, NM
Feb. 2	Bakersfield, CA
Feb. 16	Baltimore, MD
Feb. 28	Cincinnati, OH

Preparing a Successful Employee Manual

Feb. 23-24	Dallas, TX

Eyeing, Buying, and Selling Fish and Seafood

Jan. 24	Mobile, AL
Jan. 26	Shreveport, LA

Controlling Food Cost

Feb. 28	Davenport, IA

Improving Food Production Methods

Jan. 25	Charlotte, NC
Jan. 27	Savannah, GA

Hiring Hourly Employees

Jan. 11	Oklahoma City, OK

Kitchen Management

Feb. 3	Bakersfield, CA
Feb. 15	Baltimore, MD
Feb. 22	Charleston, WV

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

Feb. 2-3	Washington, DC
Feb. 23-24	Orlando, FL

Practical Meat Workshop

Feb. 22	Washington, DC
Feb. 24	Pittsburgh, PA

Creative Merchandising Techniques

Jan. 27	Dallas, TX
Feb. 10	Richmond, VA

Operational Analysis

Jan. 17-18	San Jose, CA

Restaurant Design and Facilities Planning

Feb. 28-Mar. 1	Las Vegas, NV

Basic Supervision

Feb. 8	Knoxville, TN
Feb. 22	Little Rock, AR

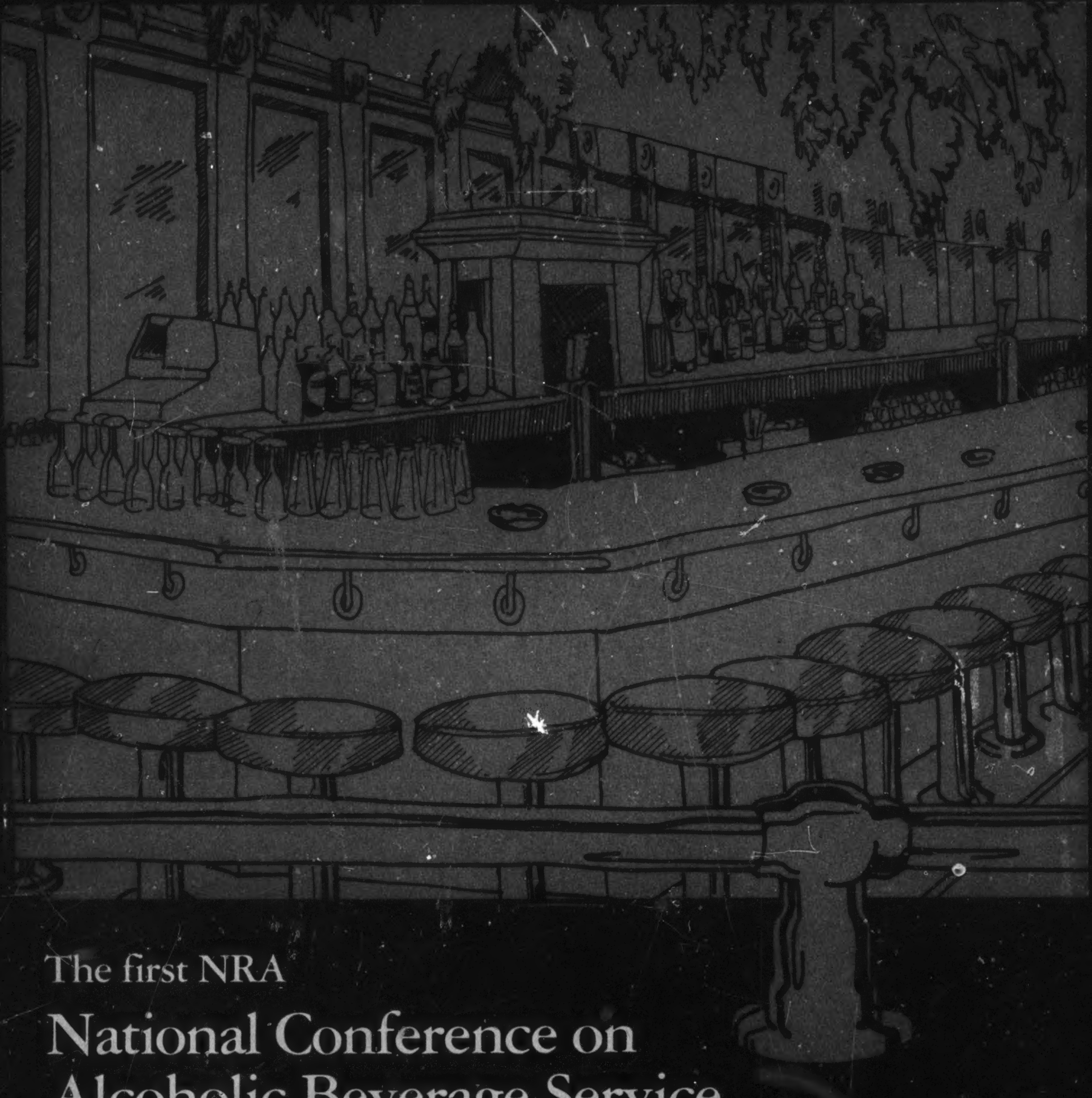
Wine Merchandising and Training

Jan. 17	New York, NY

National Conferences

Jan. 9-12	Las Vegas Tableservice Conference Las Vegas, NV
Feb. 6-9	National Conference on Alcoholic Beverage Service Dallas, TX

For more information, contact NRA's seminar department, 311 First St., NW Washington, DC 20001; call (202) 638-6100 or (800) 424-5156.



The first NRA

National Conference on Alcoholic Beverage Service

Doubletree Inn at Campbell Centre
Dallas, Texas

February 6-9, 1983

(Rescheduled from November 7-10, 1982)

A comprehensive multi-day conference focusing on this untapped profit center in the foodservice industry

National Restaurant Association

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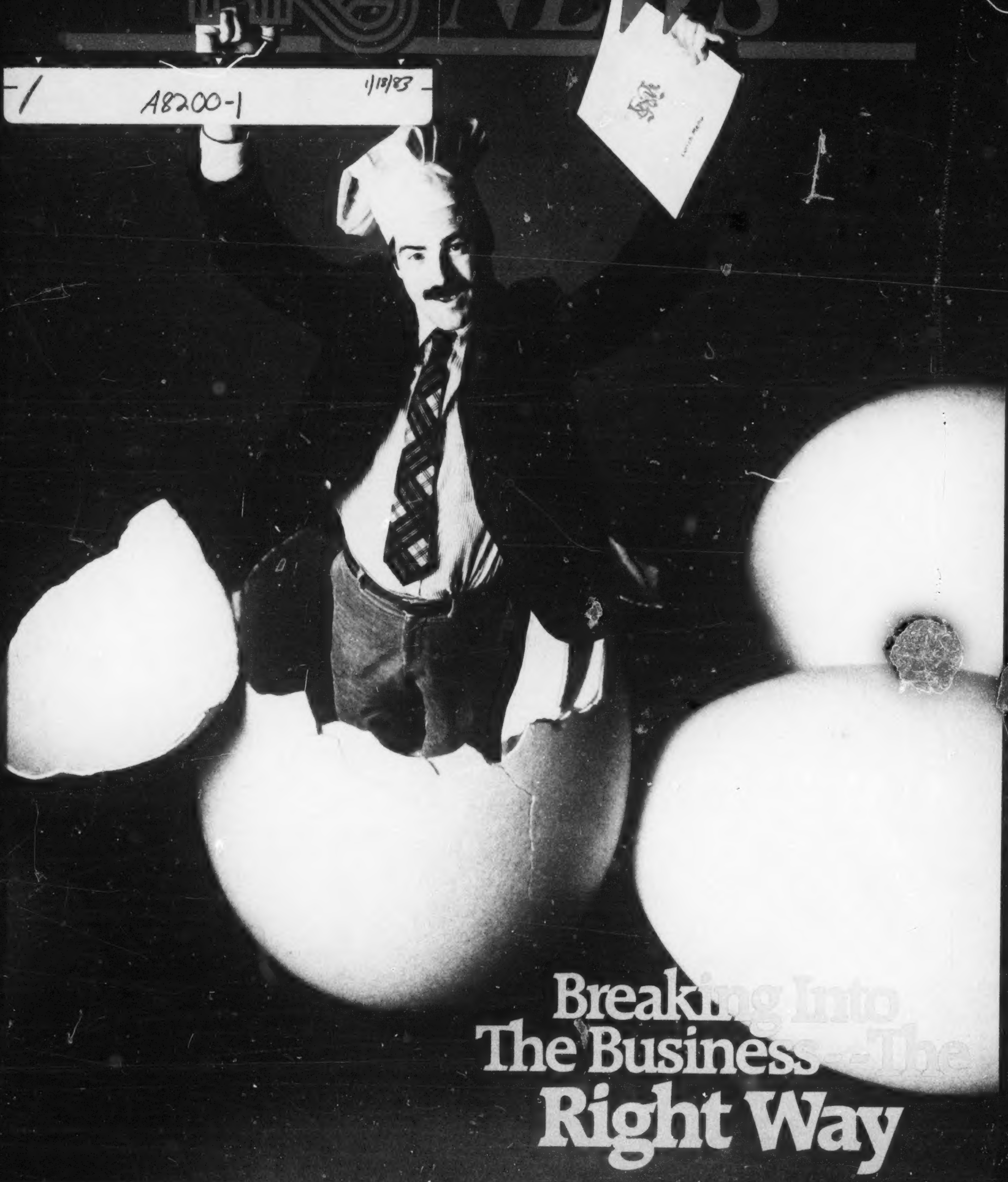

Breaking Into The Business—The Right Way

It's up to to us

There are many ways of breaking into foodservice, yet most of us start at entry level jobs and—with the help of good in-house training programs—work our way up.

But the public doesn't know that there is a career ladder in foodservice. It doesn't know that a hard-working table-busser can become a server, a captain and then a dining room manager. It doesn't understand that an industrious dishwasher can become a cook's helper, a fry cook, a prep cook and then a chef.

It is in part because the public doesn't know about the career ladders in foodservice that we in the industry have trouble finding good candidates for entry-level jobs. And the problem will only get worse unless we do something about it.

The foodservice industry is the largest retail employer in America. By 1990, the number of people working in the industry will increase by 39.5 percent, but by then the available labor pool will be smaller than it is today for entry-level jobs. Members of the large bubble in the population brought on by the baby boom of the 1950s and early 60s will have all passed into their late 20s and 30s.

Although we have not yet felt the brunt of this demographic shift due to the recession and continued high immigration levels, we will soon. Foodservice operators will face tough competition for workers from both inside and outside the industry.

To attract prospective employees will require a marketing plan. Why not start one today? This is the right moment to let the people in your community know about careers in foodservice: We have jobs at a time when unemployment is high. So get the word out.

What organizations in your town represent groups with high unemployment rates? Give them a call. Who runs the city's vocational education programs? Make an appointment to see him or her. What reporter on your local paper has written about labor problems? Drop him or her a note.

It's up to us to let the public know that breaking into our industry can be the first step on a rewarding career path.

Ernie Royal

Ernest Royal
Chairman, NRA Human Resources Committee

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10 "Breaking into the business the right way" presents an overview of what it takes to get off to a good start. Don't miss the tips on how to develop a menu.

15 NRA board members share some thoughts with would-be restaurateurs.

16 Many operators buy existing establishments but, as this story points out, taking over a restaurant is more than simply moving in.

25 You can't serve dinner until you've bought the groceries. Here are six purchasing tips to consider. (*Education*)

26 Because the rent is one of the major fixed expenses for restaurant operators, negotiating the right lease is critical. (*The Law*)

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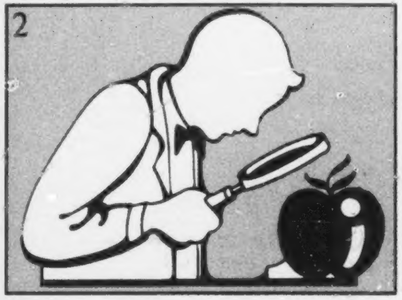
Cover photograph: Mark Borchelt



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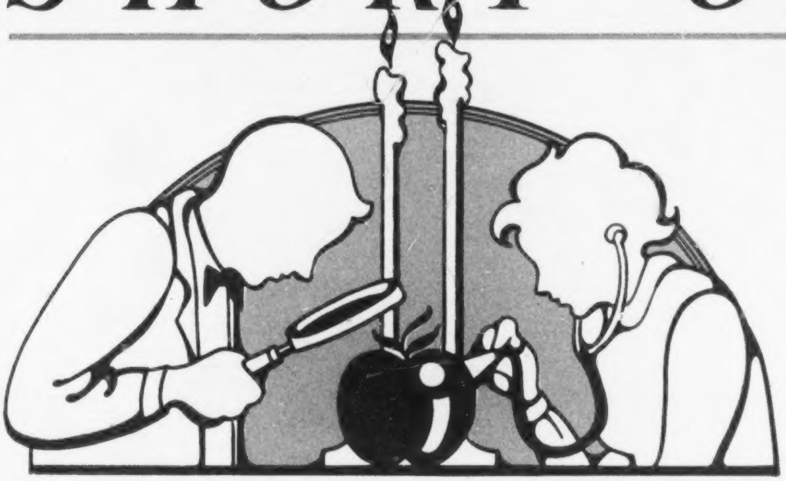
SHORT ORDER



Consumers want to know if food is fresh

Freshness is important to restaurant patrons. In fact, it can make a significant difference in entree selection. According to an August 1982 Gallup survey, 44 percent of restaurant patrons want to know if menu items are fresh, frozen or canned. And 93 percent are more likely to select a fish entree when described as fresh, compared to when the entree was described as frozen. This 93 percent figure was determined by a national sample of 1,518 respondents who were divided into two groups and asked what they would order if they were to dine out that evening.

The selections and prices of the entrees listed were identical for both groups. However, items described as fresh for one group were described as frozen for the other.

Fish and seafood items were chosen by only 28 percent of restaurant guests when described as frozen, but 54 percent ordered the same items when described as fresh.

Freshness won out in beef and poultry dishes also. Fresh beef entrees were ordered 50 percent more often than frozen ones and fresh poultry enjoyed a 47 percent preference margin over the frozen product.

Other information desired on restaurant menus were size/portion (27 percent of the respondents), ingredients used (28 percent), calorie content (20 percent) and nutritional value (18 percent).

NRA announces new Do-It-Yourself handbook

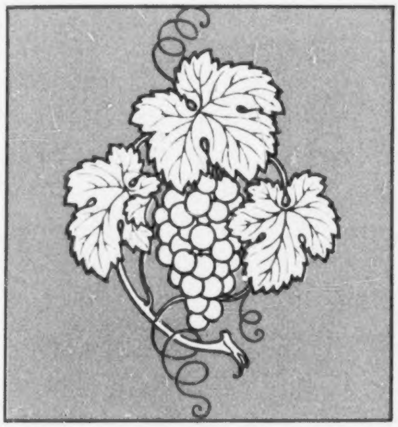
Because restaurateurs now face new and dynamic business challenges which require prudent and consistent management techniques, they need a vehicle to communicate operating standards, attitudes and objectives to their staff. To help restaurant owners develop and write an operations manual, the National Restaurant Association has published a handbook entitled *How to Prepare a Restaurant Operations Manual*.

This is a practical step-by-step guide to developing an operations manual. Numerous worksheets and forms have been included in a format appropriate for duplication and easy use. In addition, guidelines and examples are presented throughout the handbook.

The handbook is been divided into six chapters:

Chapter One:	Functions and objectives of an operations manual
Chapter Two:	Manual planning issues
Chapter Three:	Securing necessary information
Chapter Four:	Review of existing forms and reports
Chapter Five:	Writing, reproducing and distributing the manual
Chapter Six:	Keeping the manual up-to-date.

For a preview of what the handbook contains, turn to the article in this issue, "Why you should develop an operations manual."



Wine Directory Corrections

Here are two changes for the wine promotion and information resources directory which ran on page 18 of the October 1982 issue of the *NRA NEWS*.

The correct addresses for the Italian Wine Center and the German Wine Information Bureau are as follows

- German Wine Information Bureau
  99 Park Avenue
  New York, NY 10016
- Italian Wine Center
  499 Park Avenue
  New York, NY 10022

Puppets, picnics and blue watermelons are some of the elements Fred Rogers uses in producing Mister Rogers' Neighborhood programs.

Mr. Rogers talks about restaurants in his TV show

Children are playing an increasingly large part in restaurant traffic (see "Foodservice Trends" in the Nov. 1982 issue of *NRA News*), and popular television host Fred Rogers is doing his best to familiarize very young children with the dining out experience.

Mr. Roger's Neighborhood, hosted by Emmy award-winner Fred Rogers and produced by Family Communications, Inc., is a television show seen by five million children between the ages of three and five. It airs over 250 public television stations. On Nov. 17, 1982, the show dealt with the experiences of visiting a neighborhood restaurant.

The segment involved a trip to the restaurant where terms like restaurant, menu, waitress and rest room were defined, and proper restaurant decorum was explained to small children. The children were shown the restaurant kitchen with pots of food cooking and were shown how a sandwich is prepared.

Fred Rogers, who is celebrating his 30th year with the show, says that Mr. Roger's Neighborhood deals with the emotional growth of children. According to Rogers, "the theme of visiting a restaurant was chosen to show similarities between a restaurant and things that children have already experienced at home and to make youngsters feel more comfortable with the new experience of going out to eat."

Internal auditors for restaurant chains to meet March 15-18

The National Restaurant Association Industry Study Group for Internal Auditors recently met for three days in Chicago to discuss internal auditing problems within the restaurant industry. Highlights of the meeting included presentations on auditing sales promotions, purchasing and franchise operations as well as auditing advertising agencies. The groups also discussed EDP auditing, travel policies and fixed asset accounting procedures.

The meetings for this professional study group are open to NRA members who are internal auditors, directors of internal auditing and other employees involved with internal auditing for restaurant chains.

The next meeting of the group will be in Ft. Lauderdale, FL, March 15-18, 1983. Call Peter DuBois at the NRA offices in Washington, DC, at (800) 424-5156 or (202) 638-6100 if you are interested in attending this meeting.

Happy 50th anniversary to the Wisconsin Restaurant Association. Add your congratulations at the big celebration March 1, 2 and 3 in the MECCA Convention Center in Milwaukee during the annual convention and trade show.

Please complete census forms

An appeal . . .

By now you have probably received a 1982 census questionnaire concerning such operational information as number of establishments, sales figures and number of employees. The National Restaurant Association urges every restaurateur who received a survey form to complete and return it to the Bureau of the Census by Feb. 15, 1983. (Federal law requires that each firm must respond to this census, and it also guarantees that all information submitted will be kept confidential.)

Your contribution to this valuable and widely-recognized source of information is needed. Census data form the basis of many NRA briefs and statements before Congress. They are also used by foodservice firms, suppliers and investors for a variety of purposes, including planning, forecasting and determining sales territories.

Without a sufficient response rate, data such as those for average check amount will not meet census publication standards and will be excluded from all reports. This information can do a great deal to clarify the composition of the large "restaurant" category, such as specifying what proportion of the approximately 100,000 establishments are moderately priced or upscale restaurants.

A reminder . . .

Census Bureau officials underscore the importance of making estimates even when solid data are lacking. Please respond to all applicable questions.

WASHINGTON REPORT

What's covered by the tip reporting regulations

With the recent publication of proposed tip reporting regulations for restaurants by the Internal Revenue Service (IRS), NRA has stepped up its effort to inform the foodservice industry of the new tip reporting law. A summary of the IRS regulations has been prepared for members, and free copies of the regulations are available from the Washington office. In addition, the NRA's legislative and legal staff is available to answer inquiries, and NRA, working with the state restaurant associations, is conducting half-day seminars on the regulations. (See "State Department" column in this issue for further details.)

"We want our members to be as informed as possible on the requirements of this extremely complex law," says NRA President John Dankos (Dankos Enterprises, Inc.). "To achieve this, we are making our best legal and legislative resources available to the industry."

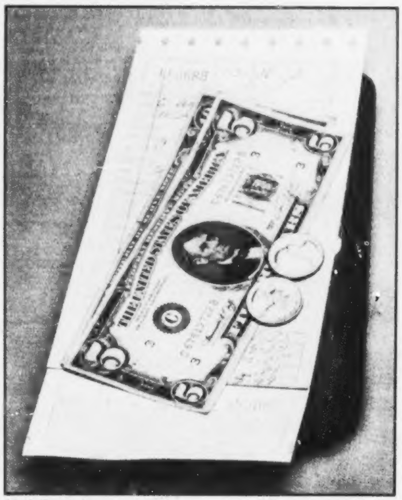
Public hearing on Feb. 8. . .

The regulations, which were published in proposed form in the Dec. 8, 1982 issue of the *Federal Register*, became effective Jan. 1, 1983. They will remain in effect until IRS publishes final regulations later this year. Restaurateurs can comment on these regulations both by sending written comments to the IRS and by testifying at a public hearing on the regulations, which will be held in Washington on Feb. 8, 1983. NRA is making plans to speak on behalf of the industry.

The regulations answer a number of questions restaurateurs have been asking for months about the new tip reporting requirements. They specify which restaurants are covered by the law, outline the reporting procedures and recordkeeping requirements involved, and provide a tip allocation formula. Below are highlights of the regulations—an explanation of those areas of the new law that have generated the most questions.

Who's covered by the new law?. . .

A restaurant is covered if it normally employed more than 10 employees on a typical business day during the preceding year and if it has tipped employees. A tipped employee is one who customarily receives tip income in connection with the serving of food or beverages. An employee who receives less than $20 a month in tips is not considered to be a tipped employee; and coat check persons, bellhops and doormen are not considered to be tipped employees because they do not serve food or beverages. Generally, cafeteria-style restaurants are not covered by the new law.


Mark Borchelt

In determining whether a restaurant has 10 employees, all employees in an establishment must be counted—both tipped and non-tipped employees. In the case of part-time employees and seasonal fluctuations in payroll size, an establishment will be considered to have 10 or more employees if, on a typical day, the total number of employee hours equals or exceeds 80 hours.

The number of hours worked for a typical day must be determined by the use of a formula outlined in the regulations. Basically, this formula calls for taking the total number of hours worked on a typical day in the month where a restaurant had its greatest sales and averaging this figure with the total number of hours worked on a typical day in the month where it had its lowest sales.

How to handle multiple operations. . .

The regulations also state that if an establishment is a member of a controlled group of corporations (such as a chain) or if a company owns several small restaurants that individually employ less than 10 employees each, each unit is covered by the law—provided that as a group, the companies employ 10 or more employees.

However, the regulations do provide that for the purposes of reporting and filing informational returns, IRS will treat different establishments owned by the same corporation as separate operations. This applies not only to units at separate locations but also to operations within the same location. For example, a gourmet restaurant, coffee shop and cocktail lounge—all at the same location—may be treated as separate operations if customers of each operation are served separately and if the gross receipts from those operations are recorded separately.

In addition, an employer may treat different food or beverage activities conducted in the identical place at different times as separate food or beverage operations if the gross receipts of the activities at different times are recorded separately. For example, if a restaurant records gross receipts from its cafeteria-style lunch activity separately from the gross receipts of its full service dinner activity, these operations may be treated as separate.

How to allocate tip income. . .

The most controversial (and confusing) aspect of the new law is the requirement that employers allocate tip income to tipped employees when total tips reported by all tipped employees do not equal or exceed eight percent of an establishment's gross receipts. The law states that such allocation be accomplished in one of two ways: either by a "good faith" agreement between the employer and the employees or, in the absence of such an agreement, in the manner prescribed in the IRS regulations.

The regulations define a good faith agreement as a written agreement consented to by the employer and at least two-thirds of the members of each occupational category of tipped employees (such as waiters, busboys, maitre d's, bartenders, etc.) employed in the establishment at the time the agreement is adopted. The agreement

- is effective only for the calendar year in which it is adopted
- must be adopted at a time when two thirds of the tipped employees in each occupational category affected by the agreement are present and
- must reflect a good faith approximation of the actual distribution of tip income among such tipped employees.

The agreement may be revoked if at least 50 percent of the tipped employees in each occupational category agree in writing that it should be revoked.

If a good faith agreement cannot be reached or the employer chooses not to seek one, the employer must allocate tip income on the basis of the IRS-prescribed formula. One advantage to using the IRS formula is that it does not require employers to allocate tip income to "indirectly tipped" employees. IRS defines an indirectly tipped employee as one who does not normally receive tips directly from customers (for example, busboys, service bartenders, or cooks).

The IRS allocation formula. . .

The IRS formula—a complicated, seven-step computation—involves 1) multiplying gross receipts by 0.08 to obtain the eight percent tip threshold figure, then 2) subtracting from that figure the total amount of tip income reported by indirectly tipped employees. The remainder is the directly tipped employees' total share of eight percent of the gross receipts of the establishment.

For each directly tipped employee, the amount determined above is 3) multiplied by a fraction known as the gross receipts ratio (the gross receipts for an employee/the total gross receipts for all directly tipped employees). The result is the employee's share of eight percent of gross receipts. The difference between total tips reported by an employee and the figure arrived at in step three equals 4) the employee's shortfall. The shortfall for each employee is used as a basis for determining the individual's 5) shortfall ratio (an employee's shortfall/the total shortfall of all directly tipped employees). The shortfall ratio for each employee is multiplied by the establishment's 6)

Example using IRS allocation formula

X is a large food or beverage establishment with gross receipts for a payroll period of $100,000 and with tips reported for the payroll period of $6,200. Directly tipped employees reported $5,700 while indirectly tipped employees reported $500.

Directly tipped employees	Gross receipts for payroll period	Tips reported
A	18,000	1,080
B	16,000	880
C	23,000	1,810
D	17,000	800
E	12,000	450
F	14,000	680
Total	100,000	5,700

The allocation computations would be as follows:

(1) $100,000 (gross receipts) × 0.08 = $8,000
(2) Tips reported by indirectly tipped employees = $500
(3) $8,000 − $500 (indirect employee tips) = $7,500

(4)	Directly tipped employees	Directly tipped share of 8% gross	×	Gross receipts ratio	=	Employee share of 8% gross
	A	$7,500	×	18,000/100,000	=	1,350
	B	7,500	×	16,000/100,000	=	1,200
	C	7,500	×	23,000/100,000	=	1,725
	D	7,500	×	17,000/100,000	=	1,275
	E	7,500	×	12,000/100,000	=	900
	F	7,500	×	14,000/100,000	=	1,050
Total						7,500

(5)	Directly tipped employees	Employee Share of 8% gross	−	Tips Reported	=	Employee Shortfall
	A	$1,350	−	$1,080	=	$ 270
	B	1,200	−	880	=	320
	C	1,725	−	1,810	=	−
	D	1,275	−	800	=	475
	E	900	−	450	=	450
	F	1,050	−	680	=	370
Total Shortfall						$1,885

Since employee C has no reporting shortfall there is no allocation to C.

(6) $8,000 − 6,200 (total tips reported) = $1,800
(amount allocable among shortfall employees)

(7)	Shortfall employees	Allocable amount	×	Shortfall ratio	=	Amount of allocation
	A	$1,800	×	270/1885	=	$258
	B	1,800	×	320/1885	=	306
	D	1,800	×	475/1885	=	454
	E	1,800	×	450/1885	=	430
	F	1,800	×	370/1885	=	353

> **“We want our members to be as informed as possible on the requirements of this extremely complex law,” says NRA President John Dankos (Dankos Enterprises, Inc.) “To achieve this, we are making our best legal and legislative resources available to the industry.”**

total allocable amount (eight percent of gross sales minus total tips reported) to get 7) the actual dollar figure that must be allocated to that employee. *(An example of the above computation is given in the accompanying box.)*

The regulations require that tips be allocated each pay period (or an alternative period no greater than 31 days), but the amount allocated to an employee is reported to the IRS but once a year. The amount of income allocated to each employee must also be reported on each employee's W-2 form. Allocation has no effect on employer withholding responsibilities, and an employer is not liable to an employee if any amount is improperly allocated.

NRA reminds restaurateurs that allocation is not necessary if tipped employees report eight percent or more in tip income as a group or an establishment assesses a service charge of 10 percent or more on food and beverage checks. (Service charges are considered "non-allocable" receipts.)

Some flexibility in new regs. . .

The new regulations provide some flexibility in complying with the law, and, in the case of the first quarter report for 1983, IRS has made an effort to alleviate some paperwork requirements. The law states that a restaurant must file an informational report for the first quarter of 1983 similar to that required for each calendar year. The first quarter report is a one-time report, and tip allocation is not required. Although the law intended that this report be filed soon after the first quarter, IRS has proposed that the report not be filed until the last day of February, 1984—at the same time the informational report for 1983 is due. A separate filing for the first quarter of 1983, therefore, would not be required.

IRS will also allow employers to make a "good faith estimate" of the portion of gross receipts attributable to carryout sales where their accounting practices do not separate carryout sales form total gross receipts.

Questions or requests for copies of the IRS proposed regulations should be directed to the NRA Government Relations Department, 311 First Street, N.W., Washington, DC 20001.

Election Report...

NRA-PAC sets records in 1982—work begins for 1984

The NRA Political Action Committee (NRA-PAC) set records in 1982. For the first time in its 20-year history, the NRA-PAC contributed more than $100,000 to 89 candidates for the U.S. House of Representatives and Senate. Of these candidates, 62—or 70 percent—were winners. They received $73,250 of the $103,250 distributed by the PAC. 1982 also set record highs in the number of people who contributed to the PAC as well as in the number of people who gave the PAC permission to solicit for contributions.

NRA-PAC Chairman Ralph Evans, Evans Farm Inn, attributed the record growth of the PAC to "the increased awareness, concern and involvement by our members in the political process." Evans said, "I don't think this is a one-time event but the beginning of a trend. Our members are becoming more knowledgeable about the impact Congress has on their business and their lives. We are fortunate that the structure of government allows us to participate in the system, and I am encouraged that we are doing so."

43 percent of funds went to opportunity candidates. . .

Last year, 43 percent of all NRA-PAC funds were awarded to "opportunity" candidates. These were candidates who were non-incumbents or incumbents, who because of redistricting, ran against other incumbents less friendly to the positions of NRA.

NRA Executive Vice President Bob Neville noted that "the PAC trustees deserve a great deal of credit for backing candidates that will help improve the composition of Congress. By helping to elect new people who agree with our philosophy rather than going with safe incumbents, we are spending our funds in a way that can make a real difference." Neville added, "It's certainly a lot easier to carry our message to someone on the Hill who agrees with us philosophically than someone who doesn't."

It may be difficult in 1984. . .

Looking ahead to 1984, indications are that it will be a difficult election year for traditionally pro-business candidates.

"Our goal, then," said Evans, "is to generate among our members greater involvement in our PAC program. We expect the pro-business candidates to need our support more than ever in the next election cycle. It's hard to believe, but our office is already receiving calls for candidates running in 1984."

To encourage greater PAC participation, NRA members are being asked, for the first time, to check off and sign an NRA-PAC authorization on their membership renewal form. Results so far have been quite successful, and the NRA-PAC staff hopes to exceed 1982's record participation in 1983 and 1984.

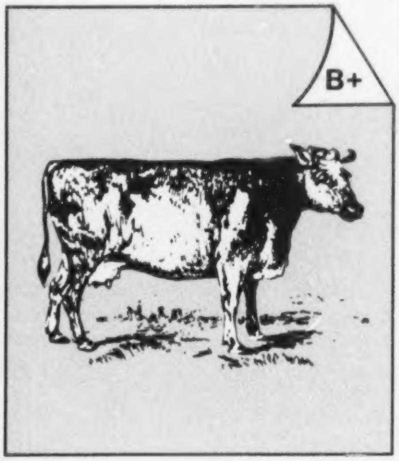
—David Joyner

New discussions on beef grading standards

The U.S. Department of Agriculture (USDA) will host a roundtable discussion on the future of beef grading standards on Jan. 18 and 19, 1983 in Arlington, VA (a suburb of Washington, DC).

Vern Highley, head of the Agricultural Marketing Service (AMS), which administers the standards, said the meeting is designed to bring together organizations representing all segments of the beef industry and consumers to informally discuss the beef grading standards.

The meeting promises to be a lively one. According to Highley, since the USDA proposal—which would have allowed leaner beef in the Choice and Prime grades—was withdrawn last September, USDA has received comments representing a diverse range of views. The meeting is designed to open a continuing dialogue between USDA and public groups in an effort to maintain a dynamic beef grading system acceptable to all.



NRA, which opposed the USDA proposal because it would have made it difficult for restaurateurs to obtain quality beef at affordable prices, will be one of the groups represented at the meeting. Last year, during the debate over USDA's proposal, NRA called for the "formation of an industry advisory committee, representing all segments of the beef production chain, to develop a grading system that meets the needs of the consumer and the producer." This meeting may be a step in that direction.

A look at the 98th Congress

The outcome of last year's election is expected to have little effect on committee leadership in the 98th Congress, although 26 seats in the House of Representatives have shifted from Republican to Democratic hands. Little change is foreseen in the leadership of both parties, and committee chairmanships—where the real power in Congress resides—will remain virtually the same.

In the Senate, all committee chairmen up for reelection won their races, so little change is expected there. Actually only three Republicans left the Senate last year—Sen. Harrison "Jack" Schmitt (R-NM), who lost to Jeff Bingaman; Sen. S.I. "Sam" Hayakawa (R-CA), who has retired and Sen. Nicholas Brady (R-NJ), who did not seek reelection. Schmitt's loss means four subcommittee chairmanships will be up for grabs and the retirement of Sen. Hayakawa leaves vacant three subcommittee chairmanships.

The Senate Budget, Energy and Natural Resources, Environment and Public Works, Judiciary, and Labor and Human Resources Committees were not affected at all by the elections.

In the House, no important incumbent committee chairmen were defeated, although several will not be back for the 98th Congress because they have retired. The retirement of U.S. Rep. Richard Bolling (D-MO), a member of Congress for 34 years, left open the chairmanship of the powerful Rules Committee. That vacancy will be filled by Rep. Claude Pepper (D-FL), ranking Democrat on the committee. Rep. Henry S. Reuss (D-WI), chairman of the Joint Economic Committee, also has retired, but that chairmanship rotates to the Senate this year. Rep. Leo Zeferetti (D-NY), chairman of a relatively minor committee—the Select Committee on Narcotics Abuse—was defeated.

As it now stands, the chairmanships of 16 House subcommittees and four House budget committee task forces will change hands. There could be more changes if incumbent subcommittee chairmen decide to take over different subcommittees.

A shift will also occur in the ratio of Democrats to Republicans in the makeup of House committees. The majority party generally determines the ratio for each committee, although usually the ratios correspond to the total number of majority members in the House compared to the total number of minority members. The ratio in the 97th Congress was four to three, although the Democrats had a greater majority in such key committees as Ways and Means, Appropriations, Rules, and Budget. The ratio in the 98th Congress will be approximately five to three, resulting in an even greater Democratic majority in the committees. (Democrats will outnumber Republicans by 267 to 166 in the House.)

Both parties are expected to finish organizing for the 98th Congress by the end of January.

Congress criticizes Small Business Administration

The loan activities of the Small Business Administration (SBA) have come under fire in recent months from an investigative arm of Congress—the House Committee on Government Operations. This committee is responsible for studying the operations of government activities to determine their economy and efficiency. Three separate reports prepared by the Subcommittee on Commerce, Consumer and Monetary Affairs criticize the

SBA. One report challenges SBA variable interest rate and prime rate loan policies; another describes problems with SBA's financial assistance to franchises; and a third reveals that, in some cases, unauthorized and excessive fees have been charged borrowers for packaging SBA-guaranteed loans.

Variable interest rate and prime rate loan policies. . .

The subcommittee concluded that SBA's loan policies are enriching banks at the expense of small business owners. According to the report, some banks can make as much as a 40 percent profit on an SBA variable rate loan, as 90 percent of a loan is guaranteed by the government with interest pegged at the prime interest rate. Banks may charge borrowers the prime rate plus 2.25 percent for loans of less than seven years and may add 2.75 percent to the prime rate for loans of longer than seven years. Loan payments are adjusted monthly to reflect changes in market interest rates. Fluctuations in the prime rate in the last few years have caused some borrowers' interest rates to rise to as high as 23 percent, causing severe cash problems and even bankruptcy for some companies.

The report notes that SBA continues to use the variable rate program for small business borrowers because the agency is afraid banks will stop participating in the program if they cannot achieve such high returns. It recommends that SBA reduce the interest rate spread banks are allowed to charge beyond the actual interest rate cost of the loan. It also recommends that SBA develop a new formula as a peg for loans instead of using the prime rate.

Loan packaging, insurance and legal fees found unreasonable. . .

A second report describes unreasonable and unauthorized loan packaging fees, insurance requirements and legal work charged SBA loan applicants, primarily in the Miami area. According to the report, loan packagers are not following SBA regulations; and the SBA office in Miami is not adequately enforcing those regulations, resulting in loan applicants paying hundreds, even thousands, of dollars in excessive fees.

Packagers are private companies, not affiliated with SBA, that prepare SBA loan guarantee applications for borrowers at a fee. They are often associated with an SBA-approved lender. Although specific guidelines govern fees charged for SBA loan preparation, the Subcommittee on Commerce, Consumer and Monetary Affairs found that some packagers require a fee as a condition for obtaining the loan from an SBA-approved lender. This practice is strictly prohibited by SBA regulations.

The subcommittee also uncovered evidence of packagers charging fees bearing little, if any relationship, to work completed or required. For example, one company in Miami assessed a fee for work executed by the applicant's accountant. In other cases the attorney's fees that were charged bore little relation to the amount of work performed by the packager.

Another area of abuse concerns the lender practice to require borrowers to carry life insurance. Although the SBA approves this requirement, it does have guidelines to prohibit abuse. For example, it insists that packagers and lenders not pressure borrowers into purchasing insurance from them or an affiliated company or carrier. It also prohibits lenders from requiring that whole life insurance be purchased in lieu of declining insurance. To monitor insurance practices all insurance payments to lenders and their associates and affiliates must be approved by the SBA.

In the case of one Miami bank and an affliated packager, nearly every point of the above regulation was violated. The bank not only pressured lenders into buying whole life insurance from a company owned by the primary shareholder of the bank but the cost of the insurance also was much higher than comparable plans; the fees were never presented to SBA for its approval; and SBA, which knew of the relationship between the companies, failed to review the premiums charged to determine their reasonableness.

The report recommended that

(1) SBA's central office improve its communication with district offices, packagers, banks and associated companies, especially concerning SBA rules and regulations

(2) SBA establish an escrow system for packager, insurance and bank fees to allow fees to be held in escrow until SBA approves fees based on an itemized explanation and

(3) SBA consider licensing packagers, as it now licenses banks, as a prerequisite for participation in SBA's loan program

Problems with financial assistance to franchises. . .

A third report describes the shortcomings of SBA's loan program for franchises, noting that franchises with SBA loans have a much higher failure rate than do all franchises. The subcommittee found that this occurs, in part, because SBA does not generally take into consideration the success record of a franchisor when approving a loan; makes little effort to provide management and technical services to franchisees; and seldom examines the franchisor's training, merchandising, advertising and other programs to determine whether the franchisee is likely to obtain necessary franchisor support.

The report also criticizes SBA for failing to

- determine if credit is available from private lenders before it provides financial assistance to franchisees
- obtain, review and utilize the franchise disclosure documents mandated by the Federal Trade Commission (FTC)
- review franchise agreements to uncover unreasonable terms and conditions
- obtain and review credit reports on franchisors
- review the adequacy of site studies and
- furnish management assistance to potentially failing franchisees/borrowers.

The Subcommittee on Commerce, Consumer and Monetary Affairs also found that the SBA office in Washington has failed to compile and disseminate failure rate information on SBA-assisted franchises to district offices. As a result, many SBA district offices have made loans to franchises with high failure rates.

Among its many recommendations, the report said that, when financially able to do so, franchisors should be required by SBA to participate in franchise loans and guarantees.

As this issue of *NRA NEWS* went to press, SBA reported it would have a formal response to the three reports by the end of January 1983.

—Jay Morris

STATE DEPARTMENT

NRA goes on the road to explain tip reporting requirements

One hundred and twenty-five DC area restaurateurs turned out last month for the first tip reporting seminar sponsored by the National Restaurant Association in conjunction with the Restaurant Association of Metropolitan Washington, Inc. The seminar was designed to provide area restaurateurs with basic information on the new tip reporting and allocation requirements established by the Tax Equity and Fiscal Responsibility Act of 1982.

NRA attorneys Bob Palmer and Clyde Griffith conducted the seminar and addressed restaurateurs' questions regarding the IRS allocation formula, the appeals procedure, employees covered, and restaurant sales included and excluded under the new statute. "Foodservice operators were very satisfied with the manner in which the material was presented and felt the information distributed at the seminar was very helpful," said Jack Cockrell, executive vice president of the Restaurant Association of Metropolitan Washington, after the seminar.

Other similar seminars are planned in conjunction with state restaurant associations from coast to coast. The NRA state relations department is scheduling seminars for all state restaurant associations that express an interest in educating their members on the new tip reporting law. As of December 20, 68 seminars have been scheduled in 34 states.

NRA attorneys and government relations experts will conduct one seminar at no cost to the state associations. 12 additional seminars are requested, the state association will incur the cost. For information on the date and location of this seminar in your state, call your local or state restaurant association.

—*Elizabeth Hendrix*

NRA staff attorneys Robert Palmer (left) and Clyde Griffith talk to Washington area restaurateurs about the new tip reporting requirements.

Jack Cockrell, executive vice president of the Restaurant Association of Metropolitan Washington, (right) convened the first state seminar to explain the new tip reporting requirements. Coming to the podium is NRA attorney Clyde Griffith.

Breaking Into The Business--The Right Way

by Kathy Boyle

Last week nearly 200 restaurants opened in the United States. By this time next year only 20 percent will still be in business. Many of these casualties are not newcomers to foodservice. After years of waiting for the chance to open a place of their own, they have seen their dreams dashed with failure. Was it the location? The food? The decor? The lack of friendliness of the staff?

Many would-be restaurateurs are still not sure what went wrong. "It's a tough business, the toughest in the world," according to Art Greison, co-owner of the five-week-old Gordo's in Hawthorn, NY. Although there are no sure secrets to success, there are steps one can take to avoid common pitfalls.

The most important step in launching a restaurant is to have a plan of action. Add to the planning enough money, experience and a first-rate staff and the chances for surviving the first year of operation increase.

Begin with a plan. . .

But where does one begin? Most experts agree that a market study is essential. Dan Fleck, owner of 15-week-old Maggie Mae's Roadhouse in Pittsburgh, PA., attributes his current success to careful market research. Fleck, a Cornell graduate with more than 11 years of restaurant experience, grew up in the business. "We knew who was in our trading area," he adds, "and designed our menu for those people." Because the community is predominately Eastern European, Fleck created specialty dishes, such as kielbasa (sausage) stuffed with bacon, Polish cabbage rolls with corned beef ribbons, and fresh potato pancakes. He spiced the menu with such contemporary favorites as deep dish tamale pie, tempura and jambalaya. Fleck also looked for a price niche in the market and settled on the five to seven dollar dinner business.

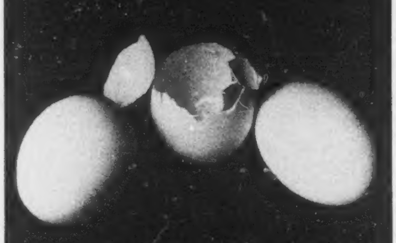
Often restaurant owners have a concept in mind but fail to do adequate market research to determine whether their idea matches the needs of the neighborhood. Typically, a market study tries to determine who the potential customers might be and what percent of the population they represent. It also evaluates the competition and business traffic patterns by hours of the day, days of the week and a weekday versus weekend schedule.

You can put most of this information together yourself. The U.S. Census of Population gives demographic profiles, income levels and housing patterns for the nation as a whole and by segments—down to city blocks. The data is reasonably priced and accessible in printed form or on computer tape, and for a small additional fee the U.S. Bureau of the Census will prepare an individualized computer run. The bureau has offices throughout the United States and holds numerous workshops and conferences on how to use its data.

In addition The Conference Board in New York City annually publishes a *Census of Selected Service Industries*. From this publication you can find the number of establishments in an area, their total receipts and payrolls. Other helpful resources include the local chamber of commerce and the National Restaurant Association Information Service, which have additional data ranging from reports and surveys on financial considerations to kitchen design.

Such a survey takes time, but it's well worth it. It can not only keep you from opening a restaurant in a location where success is not possible, but it can also boost your case when you talk to lenders. "It took almost a year to do all the work on my own," remembers Stuart Cooke, set to open

The financial area is one that frightens many prospective owners. And with good reason. It takes a lot of money to open a restaurant and there is no guarantee of success.



Stuart's in the Washington, DC suburbs. "When a location didn't pan out, I had to go back to the drawing board."

Choose a site carefully. . .

After you've settled on the general location for your restaurant, you are ready to begin your search for the specific site. The floor space you will require will vary with the type of restaurant. Luxury or table service restaurants usually require 15 to 20 square feet per seat; coffee shops, 12 to 17 square feet for each seat; cafeterias, 10 to 12 square feet per seat and counter space establishments require 18 to 26 inches per stool.

Once again, you must do some scouting to determine which restaurants seem to be the most successful and whether there is a void in the market you can fill. John Teng, owner of Yen-King Restaurant in Waltham, MA, looked for a site where there would be a following for ethnic food. "My restaurant had been a Greek restaurant. I was able to move in almost overnight."

Pay attention to accessibility. As you look at locations, ask yourself: Is the space visible from the street? Are there arrangements for parking? What type of business can you expect? For example, if you are after the luncheon crowd, walk 10 minutes in every direction. You cannot expect an office worker to walk more than 10 minutes each way and still have time to enjoy lunch.

Be on the lookout for hidden costs that may be involved in remodeling or construction. These can delay opening and cut into your financial reserves. Mike Mullaney, owner of the Red Rock Cafe in Cambridge, VT, learned from experience and says that the next time around he'll be more sensitive to costs. "After looking for seven years for a location, we moved to Vermont a year ago," says Mullaney. "We were just looking for a business in our price range. We chose the town, not the business. It was a gamble. Although we are on solid ground now, the 100-year-old building we bought required extensive remodeling to bring the wiring to code."

Look into leasing options. . .

Most restaurateurs lease their buildings. A common leasing arrangement is known as the investment package. This package can include either two or three parties. In the two-party investment package, the landlord builds a building and then leases space to you. The landlord is repaid through high rent or a percentage of your gross receipts. The three-party investment package adds a landowner who leases the building grounds to a building owner who then leases space to the restaurateur.

Lease payments are usually structured in one of the following ways

- a minimum amount of rent plus a specified percentage of gross receipts
- a minimum amount of rent *or* a specified percent of gross receipts—whichever is greater
- a straight percentage of gross receipts, usually between four to seven percent
- a sliding percentage of gross receipts, with the percentages usually decreasing as receipts increase or
- a flat monthly fee.

Consider codes, ordinances and permits. . .

During the site selection process, you should obtain information about local codes and ordinances as well as permits and licenses. A fire clearance, for example, pends on an inspection. Some common codes include fire, health, use, parking, occupancy, garbage, sewage and loading zone.

Both health and building codes usually require blueprints and cost estimates to be submitted before construction. If these are well prepared and planned, alterations after construction—usually far more costly than before construction—will be minimized. For example, codes may require certain minimum exits or specific ventilation requirements, which could require costly renovations if not incorporated during the original design.

In addition, you will need several licenses. If you are operating under a name other than your own, you will probably need a fictitious name license. Some states also require a business license or a sales tax license. If you plan to serve alcoholic beverages, you'll need a liquor or beer and wine license, and you must also register with the Internal Revenue Service (IRS) through Form 11. Usually alcoholic beverage licenses require fingerprinting and an inspection and often a period of time for local citizens to file any objections to the license. Some jurisdictions also require that you buy a license from a former owner—rather than apply for a brand new one.

Plan your menu with the customer in mind. . .

The menu defines your restaurant and reflects your concept. It is your direct communication link with your customers. But the menu is not static. It will be influenced by the potential clientele, seasonal availability of foods, community preferences, suitable combinations of dishes and alternatives for leftovers. Those restaurateurs who can limit their menu and still do a high-volume business will reap the greatest profits, but restaurant image and appeal sometimes prohibit a limited menu.

The experience of Mary Fristoe and her three partners is one example of how a menu grows and changes. "When we came to Las Cruces, NM, we found the place was dominated by beef and Mexican restaurants. Although we wanted to open a vegetarian restaurant, we had to develop a following, so we had to change our initial menu concept to broaden our appeal. Today our restaurant, The Desert Rose Cafe, has chicken, fish, vegetables, sandwiches, as well as homemade soups."

Although customers want good food served in a pleasant environment, in these difficult economic times price is also an important consideration. Overpricing has killed many a new operation. A rule of thumb often used in the industry is that a menu price should be no more than double or triple the wholesale food cost.

Records on how frequently menu items are served help owners reorder the right quantity of food. Dan Fleck of Maggie Mae's Roadhouse in Pittsburgh insists that his small personal computer system pays for itself by tracking menu sales.

The scope of the menu will determine other factors: how skilled a staff you need, the level of service, storage requirements and kitchen design.

The kitchen plan should include work space for food preparation, adequate space to pass food from the cooks to the servers and sufficient aisle space for servers to deliver the food to the customers.

There should also be a cleanup center for washing dishes and disposing of garbage. There should be a separate area for delivery of inventory, and employee rest rooms and changing rooms should also be considered.

Typical costs for new kitchen equipment. . .

Although kitchen equipment can be purchased secondhand, costs for new kitchen equipment can run into the thousands of dollars. Here are some typical costs for commonly purchased items. These figures reflect new (not used) equipment and are based on Bank of America figures for 1982:

- short order griddles or grills—$900 to $1,200
- broilers—$900 to $1,200
- rapid cooking convection ovens—$1,800 to $3,000
- double-deck ovens—$2,500
- ranges—$900 to $1,200
- dryers—$400 to $1,300
- microwave ovens—$600 to $1,700
- full-size refrigerators—$3,000 to $5,500
- walk-in freezers (7 x 10 foot)—$6,500
- dishwashers—$2,000 to $4,000

Many of these purchases must come from start-up capital as equipment companies usually extend no more than 60 to 90 days credit to customers. Sometimes equipment leasing is possible. These arrangements allow you to stretch payments over a longer period but include substantial interest charges. At the end of the leasing period, the restaurant owner can buy the equipment at its depreciated value or continue to lease the equipment at a substantially reduced fee.

However, price is not the only consideration in choosing equipment. The reliability of the manufacturer and the availability of repair service and quality of repair are critically important factors you should consider. Self-cleaning equipment that saves on labor costs, for example, quickly pays for itself.

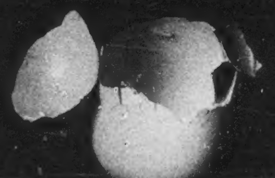
Getting a good financial start. . .

The financial area is one that frightens many prospective owners. And with good reason. It takes a lot of money to open a restaurant and there is no guarantee of success. The Bank of America estimates that initial investment requirements for a tableservice restaurant with 3,000 square feet of floor space, accommodating 100 guests, are between $216,400 to $380,550. Eighty-five percent of these costs go to opening expenses, which include wiring, plumbing, painting, labor, materials, kitchen fixtures and equipment, furniture and two months lease deposit.

Obtaining financing is difficult whether you decide on equity financing—money from investors—or debt financing—money from a financial establishment. Usually funding comes from both sources.

A typical bank loan application requires a great deal of information. It includes a detailed package of the loan's purpose, personal financial statements, lists of partners or corporate officers and projected financial statements for the first one or two years. Most banks require you to find half the financing. This can be from relatives, friends, business associates or partners; but it cannot come from another loan. Some ways to strengthen your position with a financial establishment is to demonstrate your viability by feasibility and market studies and by having bookkeeping, accounting and marketing systems in place.

> **"It is difficult for an owner to be a personnel manager, financier, chef, food purchaser, tax expert and public relations expert all at once. Some owners are very good in some areas but don't fit well in others."**



Another potential source of funding is the federal government. The process is often arduous but the loans can be below market interest rates and with longer payback periods. The Small Business Administration will guarantee up to 90 percent of a commercial loan. On rare occasions it may make a direct loan if the applicant can prove he cannot find funding elsewhere.

In the Virginia suburbs of Washington, Stuart Cooke went to 65 banks with his Small Business Administration application. "It turned out I didn't go the Small Business Administration route, but the experience I gained in preparing the forms, working with the financial data and going to the banks compensated for the wasted effort," he says. "Now I have three banks that I know will work with me."

Regardless of where you go for financing, make sure you have enough capital to cover at least two to six months of payroll and food costs. Insufficient financing is one of the major causes of small business failures.

When you draw up your financial requirements, you will want to be sure to include money for these common start-up costs

- initial lease deposit or down payment on property
- remodeling or making improvements
- purchase of equipment and furnishings
- license payments
- utility and insurance deposits
- initial food inventory
- initial advertising
- consultant fees (lawyer, accountant, kitchen designer, menu designer and so forth) and
- initial payroll and payroll taxes.

Be sure to build in a cushion for the unexpected, such as a delay in opening.

A good staff is critical. . .

According to Maurice Minno of Management and Design Resources in McLean, VA, potential restaurant owners often over-estimate their capabilities. "They don't hire the people they need. It is difficult for an owner to be a personnel manager, financier, chef, food purchaser, tax expert and public relations expert all at once. Some owners are very good in some areas but not in others."

Hiring people can be a time-consuming, nerve-racking process. Dan Fleck, owner of Maggie Mae's Roadhouse in Pittsburgh, took three weeks to interview 600 people for 94 positions. "We went with only experienced people," he recalls. "Prior to opening we took one full week to train. We held two training sessions each day to accommodate both day and night staff. We actually cooked, showed the food and tasted each dish. The second week we invited a friendly audience—suppliers, local politicians and the families of our employers—to half-priced dinners. When we opened, we knew that the menu and kitchen were solid."

As an employer, you must withold social security and federal unemployment taxes for employees. IRS publication No. 15 explains employer withholding requirements. In addition, restaurant owners must obtain an employer identification number by filing Form SS-4 with the IRS.

The trouble is worth it. . .

These are just some of the areas you have to consider when you plan to open a restaurant. Although the process may seem tedious, it is worth the time at the outset to make sure you haven't overlooked a key ingredient. Once you've got your restaurant off the ground, the restaurant will bring you joy and satisfaction. Says Art Greison of Gordo's in Hawthorn, NY, "Although the hours are long and the work is hard, there is no greater reward." ❑

15 steps for developing a menu

Taken from an upcoming National Restaurant Association publication on menu development.

1. **Set aside at least 60 days** for developing a menu that sets you apart from your competitors.
2. **Consider the capabilities of your staff and the capacity of your kitchen**.
3. **Scrutinize your competition.** Discover what customers they attract and why.
4. **Assess the needs of your target market.** Find out who lives in the local area and what they look for when they eat out. Talk to community leaders as well as members of local industrial, retail, commercial and housing establishments.
5. **Test ideas and recipes on your family, friends and employees.** Don't keep any recipes that they don't like.
6. **Start off with a small menu.** You can always expand, diversify and experiment once you have developed a steady clientele.
7. **Don't price all of your items based on one food cost**. Study each item, with one eye on your competitors' prices. Determine what really is the best price that ensures your customers get value for their money.
8. **Collect sales data for each menu item,** paying attention to the sales mix and frequency of sales of each menu item.

9. **Ask your service staff to keep you abreast of customer likes and dislikes.**
10. **Train your staff to complement the selling appeal of your menu.** Teach them about your products and operation. Make sure they taste all the menu items and can discuss them with your customers.
11. **Use specials to experiment with new items.** Specials add variety to your menu and can eventually replace dishes that are not popular with your customers.
12. **Determine the style of presentation**—whether you want your menu to be on a blackboard, on a printed document or presented verbally by your staff. If you decide that you want a printed menu, learn the basics of typesetting, printing and lamination before you approach the professionals who will help you prepare your final menu. This assures you get the product that best meets your needs.
13. **Pay attention to the appearance of your menu.** Worn, dirty, out-of-date and unattractive menus leave a very poor impression on your customers.
14. **Read trade journals and industry publications, attend seminars and trade shows, join your local restaurant association and talk to fellow restaurateurs to make sure your menu is in touch with changing customer preferences.**
15. **Don't expect to be profitable in the first year.** Over-pricing will kill any new operation. Don't compromise on food quality: Provide an excellent product for the money.

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NRA BOARD MEMBERS SPEAKOUT

Advice to would-be restaurateurs

Like other successful restaurant operators, NRA board members know the foodservice industry and what it takes to survive the hardship of getting started. Here are some thoughts they shared on the subject with *NRA NEWS*.

Operational experience and a good business background are what Guss Dussin of The Old Spaghetti Factory in Portland, OR, recommends to anyone contemplating opening a restaurant. "You must work in the industry and learn all the phases of the business. Don't open a restaurant because you want to cook. There's a lot more to it than turning on the stove," he asserts.

Dussin's idea for The Old Spaghetti Factory came 20 years after he was in the business—after he already operated five or six different restaurants. "When you go into business, you observe things, maybe steal a few ideas," Dussin continues, "and if you are lucky some of your ideas will be original. And then you've got it, you've hit upon a concept."

Dave Beck of Westward-Ho Cafeterias in Dayton, OH, agrees that you can never get enough practical experience. "If you know how to cook, that's great, but you also need to know about the business end—accounting, bookkeeping and keeping employees happy," he says. "A hotel and restaurant management degree can also give you one leg up on everybody else, although it's not a guarantee of success," he adds.

Without experience, starting a restaurant can be "a real business awakening," says John Kawa, Johnny's Cafe in Omaha, NE, remembering how he took over his father's restaurant with "no idea of the enormous amount of planning and preparation that is involved."

No substitute for experience. . .

Working your way up is a philosophy that C. Tom Gibbons strongly advocates. He's proof that it works. Gibbons, who started his career as a part-time busboy for the Horn and Hardart Baking Company in Philadelphia, PA, is now company president. "There's no substitute for working through the ranks. You must learn the basics," he says. "Running a restaurant means that you must know how every piece of machinery in your operation works. A professional degree is wonderful. It's an important asset. But if you don't know the basics, you will have a hard time.

"I've had every opportunity in foodservice," he recalls. "I moved from the food counters to the accounting department. This helped me learn about people and what it takes to run a restaurant. I saw all sides of business."

The ability to work with and around people is extremely important, says John Rian of Rian's Incorporated in Portland, OR. "If you don't like people, you shouldn't be working in the business. That's the number one important element," he says. "People are the business. You have to enjoy dealing with them on a day-to-day basis."

Willingness to take a chance is what can make the difference, according to Jack Miller, Open Hearth Restaurant in Gatlinburg, TN. He was teaching and consulting when his wife persuaded him to open a restaurant. "If you are willing to take risks, this industry offers great opportunities," he says.

Turning out a good product at a good price is a secret of success, points out Stephen Huse of Noble Romans Pizza in Bloomington, IN. "My operation gives customers something they really like to eat, and I feel good about that," he says.

"But," he adds, "have a sound business plan before you begin and work in the industry for a while to learn what the business is all about. Then **hire the best people available** and motivate them properly to contribute to your concept."

Looking to the future. . .

According to Robert Clift, Banner Foods in Oklahoma City, OK, there are three ingredients necessary for success: **good food, good service and good sanitation.** And looking into the future, Clift adds that "the small operator will have to be diverse and creative to make it."

Talk of the future also raised other points. "Operators will have to adapt to the changing marketplace," maintains Stephen Huse.

Taking this thought one step further, John Rian notes that in the future consumers will have more time on their hands. Therefore, he says, restaurants will have to be more complete. "Unusual places will be important. Restaurants will have an exciting atmosphere, one that encourages customers to linger and relax. By this I mean that eating will not be the only activity taking place," he explains.

"But one thing is for certain," says John Kawa, speaking for his colleagues, "the restaurant business is unlike any other. You never know what to expect. It's never dull."

—Elyse Cuttler

There's more to taking over a restaurant than moving in

Lou's
PIZZA
MARTZ

Susan Martz

by Carol Caprione

You've always wanted to open a restaurant, and the restaurant down the street is up for sale. You see this as the chance of a lifetime. The restaurant is already in place—complete with clientele, tables, chairs and kitchen fixtures—just waiting for you to walk in and take over. Right? Well, maybe. As this story points out, there's a lot more to opening a restaurant in an existing site than meets the eye.

When asked, "Why did you decide to buy an existing restaurant site?" almost everyone interviewed by the *NRA NEWS* said that price was a major factor.

Hersh Ipaktchian, owner of Anthony's in Layton, UT, said he knew a fast food restaurant that was in trouble so he was able to pick the restaurant up at a tremendously reasonable price. "I added a dining room and revised the kitchen. I used 50 to 60 percent of the existing equipment and sold the rest," says Ipaktchian. Within four months he was able to turn the fish and chip place into a fine Italian restaurant. "I knew that Utah was not a good fish market area and that was the main reason the former restaurant failed."

Jack Kozlak, NRA director and owner of Kozlak's Royal Oak Restaurant in Shoreview, MN, says that he got his restaurant at an "unbelieveable" price because the Small Business Administration auctioned off the restaurant right outside the kitchen door. "We bought the building and the land for just what the land was worth," Kozlak explains.

Mel Krupin, owner of Mel Krupin's in Washington, DC, bought the lease to an existing restaurant after the restaurant he had managed for 12½ years was torn down to make room for a commercial development. "The facility alone was not the important factor," says Krupin, "because I renovated the whole place.

The renovation work took only 43 days. "We worked day and night, seven days a week," says Krupin. Although the changeover was expensive (the carpeting alone cost $5,000 in freight charges from Ireland), the renovation was "much less costly than starting from scratch."

Mike Roueche, manager of corporate relations services for Marriott Corporation, told *NRA NEWS* that price, real estate locations and operation management opportunities were key factors in Roy Rogers' purchase of Gino's franchise chain. "It saved us money. It cost less to convert a Gino's restaurant to a Roy Rogers than it would to open a new Roy Rogers," says Roueche.

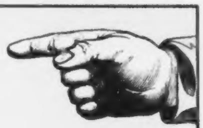
In addition to saving money, restaurateurs who buy out an existing site also save time by not having to decide where to put the kitchen, the lockers, the refrigerators. Even when restaurateurs decide to make changes, they still have plenty to work with.

This holds true as much for franchise operations as for family or upscale establishments. NRA Board Member Jack Laughery, chairman and chief executive officer of Hardee's Food Systems, says that the acquisition and conversion of 173 Burger Chef operations into Hardee restaurants "gave us a superb opportunity to incorporate the best of two outstanding systems."

You still need a financial cushion. . .

While it is possible to get a good value on equipment, carpeting, furniture, lighting, and other furnishings that come with the restaurant, restaurateurs who take over an existing site still need enough financial resources to get a

12 Pointers to keep in mind when you take over a restaurant



1. *Make sure the restaurant is in a place where you want to live and work.*
2. *Don't start construction immediately.* Bring in all the experts before you renovate. If they tell you everything is fine, it's worth the money to have peace of mind. "Then, turn the lights on, get a good look at everything. The patterns of grime and grease are going to be about the same under different management. You can save yourself a lot of health and cleaning problems if you identify where the dirt accumulates before you start construction and eliminate problem areas," advises Mike Young of Gianni's.
3. *Do a marketing study* to find out if the items you are going to offer will be accepted in that area.
4. *Learn as much as possible about the former operation.* Talk to previous employees, managers and owners. It's one of the most valuable tools you have. They can tell you where the inefficiencies are. Make a special point to interview former wait people. It's one of the most important things you can do because they have direct contact with the public. "The managers might tell you the restaurant succeeds because they are geniuses, but the foodservers will tell you why it really succeeds—it has the best garlic bread and salad dressing in the world," reports Mike Young of Gianni's.
5. *Be sure you have a financial cushion.* "Never go into the business thinking you are going to make money from day one. Make sure you have money to live on for at least one year," cautions Hersh Ipaktchian of Anthony's.
6. *Estimate how much money you need and double it.*
7. *Do a thorough research on the profit and loss sheet you inherit* to see where cost controls can be improved to maintain a profitable cost of goods situation.
8. *Build on past successes, eliminate failures.* "If you take over a place that has been in trouble and you don't change the name, menu and total look, you are not going to be able overcome the bad image. If you are taking over a successful business, don't change anything," suggests Hersh Ipaktchian of Anthony's.
9. *Give considerable thought to the name of the restaurant.* "If you take over a restaurant that has a person's name, it would be better to change that name because the name implies a personality. And if that person's not there, the restaurant can't have that personality," says Mel Krupin of Mel Krupin's.
10. *Advertise before you open.* "It can really pay off on opening day," remembers Jack Kozlak of Kozlak's Royal Oak Restaurant.
11. *Build clientele whenever possible.* If patrons come for the former restaurant, sell them on your place.
12. *Take valuable clues from the condition of the furniture.* Every restaurant has hot spots (where people like to sit) and cold spots (where they don't). By examining the condition of the furniture and the carpeting you can determine where people like to sit and can add decor emphasis to enhance the appeal of the less popular areas, advises Mike Young of Gianni's.

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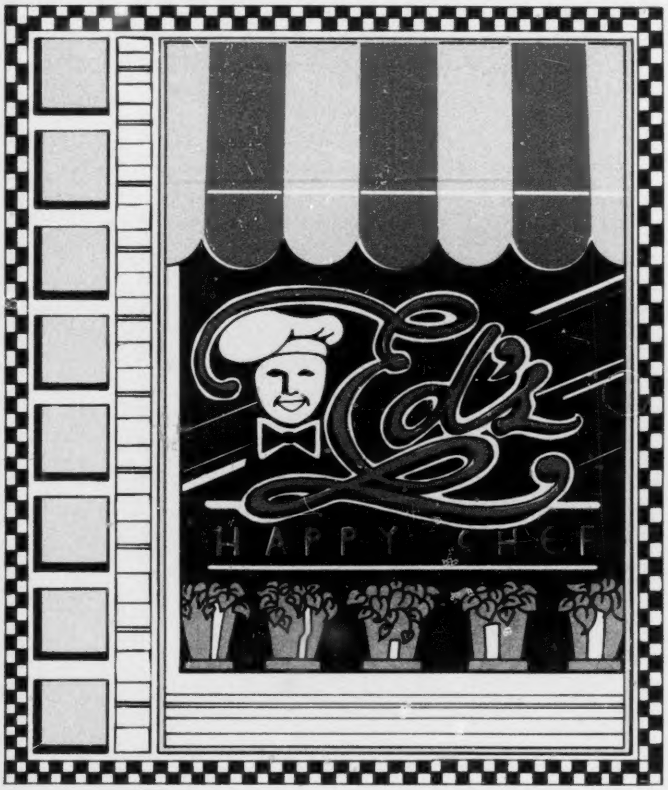

good start. "Everything cost more than we thought it would and then there were unexpected repairs to be made," relates Mary Jones of Dan Jones' Eating and Drinking Establishment in Columbus, GA. A rule of thumb is to estimate how much capital you'll need to run the operation and then double the amount."

Mike Young, owner of Gianni's in Austin, TX, agrees that opening a restaurant costs more than it seems. "We thought we could open for $40,000 but it cost more than $150,000. We thought we could use the dishes and silverware and save a lot of money. When we actually took over, we kept one oven and threw everything else away. We couldn't even sell it."

Things may not be what they seem. . .

In addition to cost overruns, there may be other problems when a restaurateur takes over an establishment.

"One of the disadvantages of buying a restaurant site is that you have to take what you've got, whereas if you were to build, you could build whatever you wanted," says Jack Kozlak. Kozlak's Royal Oak Restaurant is a good example of what restaurateurs who buy out an existing restaurant may have to work with. When Kozlak took over the site, one 200-seat dining room had no windows. He solved that problem by making one entire wall a window and planting a beautiful garden outside. Not only is the view beautiful year round but patrons can also dine outside in the summer.

Sometimes the structural problems are not cosmetic. When Mike Young purchased a 100-year-old historical building, he thought all the electrical wiring was updated when the building was renovated in 1964.

He considered this a real plus when he purchased the site. But only some of the wiring had been replaced. "We should have gutted it and rewired the whole place. Instead we spent a fortune on maintenance," says Young.

Mary Jones of Dan Jones' Eating and Drinking Establishment encountered a different problem. When she and her husband bought their restaurant, they didn't know that toward the end, the restaurant—once a fine operation with a good reputation—had gone downhill. Thus, the Jones' had a bit of unexpected bad publicity to overcome and a hard time establishing an identity.

Overcoming opening day blues. . .

Entering any new venture breeds apprehension, but opening a restaurant where another has failed or closed can be doublely frightful. "Sure I was scared," says Jack Kozlak. "I remember the first day we opened for lunch, I was wondering if anybody was going to show up."

Kozlak took advantage of the reputation of his other restaurants by using their mailing lists to announce the opening of Kozlak's Royal Oak Restaurant. Kozlak also ran teaser ads that kept the public abreast of the conversion. In these ads Kozlak talked about the scrubbing and cleaning and even thanked Ma Bell for giving his restaurant a phone number that's easy to remember (484-8484). Finally he linked his restaurant with five of the best restaurants in the metro area saying that the Royal Oak was proud to be among them.

Did all the advance publicity pay off? "We had wall-to-wall people from the day we opened," reports Kozlak, "and business has stayed at a good pace. Last November we celebrated our fifth anniversary."

Sometimes it may take a restaurant several years to get established. But the gamble can be worth it. One case in point is Gianni's. When Mike Young opened the restaurant in the downtown area of Austin, TX, four years ago, the site "was in a very rough neighborhood," he remembers. The one respectable establishment was four blocks away." Then the city became interested in historical renovation, and Gianni's became the center of a six-block restaurant and bar hub. "Today Gianni's is the hottest spot in Texas," Young boasts.

A word of caution: Proceed slowly. . .

Although many restaurateurs who took over existing restaurant sites said they would proceed in exactly the same way if they had it to do all over again, others would do it a bit differently.

Mary Jones of Dan Jones' Eating and Drinking Establishment said that she and her family would have "started a little smaller. We went into this too optimistically," she maintains. "We only did half the volume we expected to do. Our business was built slowly. We hired too many people for volume that just wasn't there.

Hersh Ipaktchian of Anthony's told *NRA NEWS* that he would conduct a marketing study and a customer survey. "Generally, I would be more scientific about it. My training came through trial and error, and that is a very costly way to get started."

Mike Young of Gianni's said that he would call in all consultants before he started any construction work. "If the experts tell you everything is fine, it's well worth the consultation fee to have peace of mind." This way you can get a realistic idea of what you can keep and what you should replace. It saves a lot of headaches down the road."

1 ▪ 2 ▪ 3 ▪ 4 ▪ 5 ▪ 6

10 STEPS TO OPERATIONAL SUCCESS

by Aaron Donatello

Each individual operation or business has its own critical success factors—those products, people or services that produce the greatest contribution to profit. Skilled operators are aware of their own critical success factors and dutifully assign high priority to these items on a daily basis. Here are 10 important steps to restaurant success you may want to consider in your operation.

1 Know your daily plan before you enter the restaurant. Good planners never start a day unprepared. Some prepare lists for the next day before they leave their unit at night. They can then go home and relax, confident that when they return the next morning they will be ahead of the game with their daily plan waiting. Other operators use mini-cassette recorders to tape their plan while driving to work. They, too, save precious time with a well-organized agenda. So stay ahead, plan tomorrow's list today.

2 See that the job gets done. Following up a project is more important than initiating it. It is better to be known as a hard-nose persistant and make sure that the job gets done than to be caught offguard and forced to make excuses. It's easy to say, "clean the hood," or "consolidate all dirty linen into bags." But if you don't follow up on jobs, you can't be sure they will be completed. So don't assume; make sure that the job gets done.

3 Remember that you bank dollars not percentages. Most operators are looking for ways to lower their food cost percentages but this should not be done without looking at profit contributions. The mathematical difference between a menu item's product cost and its selling price is its profit contribution. Management will do well to encourage the sale of high profit contribution items regardless of food cost percentages, as the following table will demonstrate.

	Item A	Item B
Number of entrees sold	10	10
Food cost	1.95	2.70
Selling price	5.95	6.95
Food cost percentage	32.8	38.8
Gross profit contribution	4.00	4.25
Total profit	40.00	42.50

As you can see, item A has greater food cost but item B has greater profit. Judging from the table above, management will do well to orient itself toward the number of dollars that a menu contributes to profitability not just to cost percentage monitoring.

4 Serve your hot food on hot plates, cold food on cold plates. Even the best-prepared meals can be spoiled if not served at the proper temperature. The closer the temperature of the serviceware to the food, the better are the chances of maintaining that temperature. If you have ever seen what happens to crisp greens on a plate just out of the dishwasher or a sizzling steak served on a cold platter, you will appreciate the importance of this procedure.

5 **Remember people eat with their eyes.** If it doesn't look good, don't serve it. People should say or think, "Wow, this is great," when they receive their orders. Make your product look good. Exceed your guests' expectations and you will be sure they will remember their meal and your restaurant.

6 **Buy the best products available.** Don't accept any products that don't meet specifications and standards. You can't make a silk purse out of a sow's ear, as the maxim goes. If an operation starts with quality products, there's a good chance that it can finish with quality product. That's why it's vital to review product quality consistently every step of the way—from the dock or supplier, as it comes out of storage and finally as it makes its way out of the kitchen before it is presented to your guests. The final check is of the utmost importance because it's your last chance to make sure that your meals are as good as they can be.

7 **Give feedback on the spot.** When you see employees doing a particularly good job, tell them on the spot. The closer the feedback is to the behavior, the greater its impact. This also applies to giving reprimands. Unlike compliments, however, which are usually most effective when extended in front of others, reprimands are best discussed in private. Don't write down notes about unsatisfactory behavior to be dealt with later; take care of the matter now.

8 **Acknowledge your guests with a smile at the door, the bar and the table.** The first thing people see or experience exerts a strong influence on their final impression of a restaurant. From the time guests enter the establishment until their presence is acknowledged, seconds will seem like minutes (jeopardizing ~~your~~ chances to make a good impression). A simple greeting from anyone, such as, "Hello, how are you? Jane is seating someone right now, but will be right with you," will lessen the burden of waiting. The same rule applies at the bar and dinner table.

9 **Develop your name recall skills.** This is a key to building repeat business. Customers have egos and like recognition, particularly if they are with friends. People with guests will go out of their way to go to a place where they are known. There are certain situations where the opposite is true, of course, so be careful.

The Memory Book by Jerry Lucas, is a good place to start developing your name recall ability. A host can use this talent with significant effect during farewells. One good technique is to say, "Mr. Johnson, it was a pleasure having you with us. Here is my card. Should you be joining us again, ask for me and I'll look after you." This will give the guest a name and face to identify with in your restaurant.

10 **You can't afford to have anyone leave your restaurant unhappy.** It has often been said that when someone has a good experience at a restaurant, they tell three people; but when the experience is bad, they tell seven. That is why total dedication to customer satisfaction on the part of every employee is vital to the success of your restaurant. What impression should your guests leave with? One which compels them to tell all their friends what a great place you have. ☐

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WHY YOU SHOULD DEVELOP AN OPERATIONS MANUAL

A restaurateur's greatest asset is a well-trained and highly qualified staff. Developing and fostering such employees depends on communication. How management communicates its operating standards, attitudes and objectives as a basis for the restaurant's operation is critically important. One highly successful communication approach for a restaurateur is an operations manual.

An effective communication system is an essential element of successful contemporary restaurant management, in both small and large organizations.

Restaurants with only a minimum of written general policies and an informal management style rely on their employees' natural common sense and prior training, if any, to produce customer satisfaction. An operating manual that has the full support of management, which is well planned and written and is readily available to all employees, can enhance the entire management process. It creates a basic communication system—a working tool for all employees and a convenient reference resource. Such a manual allows the restaurateur to meet the information needs of employees and, indirectly, patrons through an effective communications medium.

What is an operations manual?. . .

An operations manual is a written collection of management's policies and procedures. It details the manner in which the company is to function in order to achieve organization goals.

The policies contained in an operations manual can be considered equivalent to a restaurant's *standards*.

The manual's policies are created as a basis for guiding employee decision-making. While these policies reflect the organization's objectives for achieving specific goals, they permit flexibility in the employee's approach to operational issues.

To gain employee acceptance of a manual requires that the standards not only be flexible, but also that the accompanying procedures clearly and accurately relate the approach to follow in carrying out the standard.

No one operations manual can effectively serve every restaurant. Instead, an operations manual must reflect the individuality of the particular restaurant. Historically, many restaurateurs have prepared manuals on personnel, employee benefits, safety, sanitation and numerous other subjects. An operations manual can either encompass one specialized subject, such as personnel, or cover the entire restaurant's routine operations. Such a manual can not, however, substitute for professional management and employee training, motivation and evaluation.

What is the manual's purpose and scope?. . .

The purpose and scope of an operations manual depends on the organization's complexity. Specific factors affecting the scope of a manual include

- type of ownership
- single or multi-unit restaurant
- the length and complexity of the menu
- style of service
- hierarchy of management
- size of the restaurant (number of seats, kitchen size) and
- popularity or extent of business volume.

The complexity of a restaurant's standards and procedures vary according to these factors, even though the basic standards and procedures for effective management apply equally to a small and large restaurant. If the restaurant is a small business, a one-volume operations manual should be sufficient to encompass all routine procedures. Larger organizations may require a multi-volume manual that is separated according to subject, such as purchasing, food production, personnel, management information system and other areas. Separating a manual into distinct subjects is recommended if the manual becomes so large that its size would hinder day-to-day use.

The advantages of an operations manual. . .

Managing with the aid of an operations manual has numerous benefits for any restaurateur, regardless of the organization's size or complexity. Here are some of the advantages.

1. **Management and employee time is more efficiently used.** Management's time can be spent on activities which perpetuate the organization as opposed to routine operational problems. A written operations manual not only saves management time but also boosts employee morale since standards are specified in an authoritative reference source for all employees. Misinterpretation of a standard is minimized by having a written source of this information readily available.
2. **Responsibilities are clearly assigned for achieving results, thereby maximizing productivity.** Management authority and supervision is clearly defined in an operations manual for all members of the organization, thereby promoting coordination and eliminating costly overlaps of functions or responsibility gaps. A manual can promote strong group participation. By clearly identifying all lines of responsibility, management's job becomes easier.
3. **The quality of restaurant products and services is unaffected by employee turnover.** The continuity and stability of management can be perpetuated with an operations manual, even with high levels of employee turnover. Training becomes simplified, so new workers can be quickly integrated into the operational system.

4. **Employee morale and motivation can be fostered.** Policies and procedures do not seem arbitrary when employees can turn to a printed document to interpret situations. Since the duties and responsibilities of each employee are detailed in the manual, employees can identify not only what is expected of them but also how their responsibilities relate to other employees and the organization as a whole. A clear understanding of management's standards can positively affect employee morale.
5. **Training becomes standardized.** The operations manual can be a basis for training new employees. Existing employees can refresh their understanding of the company's policies and procedures by merely reviewing the manual. Management also benefits because the training job is easier.
6. **Paperwork is minimized.** An operations manual generally results in fewer forms being used regularly. It also ensures that the restaurant's forms are well designed, properly used and do not duplicate information.
7. **Standards are clear.** Consistently high quality products and fast, efficient service can be achieved if everyone adheres to the manual's standards and procedures.
8. **The safety and health of employees and patrons can be protected** through the use of a manual which specifies acceptable safety and sanitation standards and procedures.
9. **Compliance with laws and regulations is increased.** An operations manual can assist in the restaurant's compliance with all applicable federal, state, and local laws and regulations as well as contracts which affect the restaurant's day-to-day operations, such as a union agreement.
10. **Communication among all employees is fostered.** Developing an operations manual requires a close examination of current operations and a determination of specific operating standards. These standards should represent management's goals for the restaurant. By seeking staff suggestions in the development of the manual, employees will view the manual as "theirs." Once the manual is in use, constructive feedback to management regarding existing standards and procedures and possible revisions or the need for new standards can result, thereby improving the restaurant's overall operation.
11. **Employee performance can be measured and evaluated** against the operation manual's standards, which serve as goals. Comparing the standards with actual performance can clarify anticipated results and serve as a performance indicator.

Does my restaurant need an operations manual? . . .

Whether you are a single unit or a multi-unit restaurateur, the demands of managing the business in today's complex, dynamic business climate are substantial. An operations manual greatly simplifies your task. The questions in the accompanying checklist will help you evaluate your restaurant's need for written standards and procedures. ☐

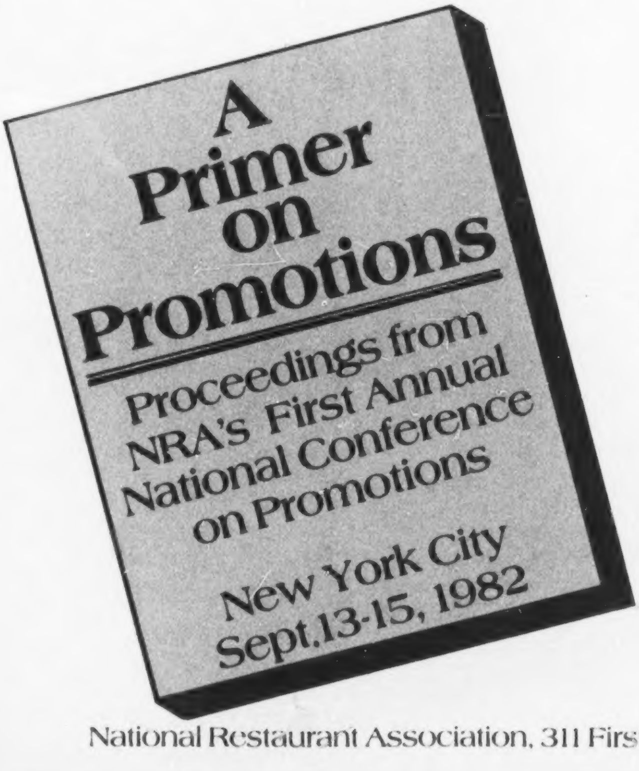
Editor's note:

This article has been excerpted from the National Restaurant Association publication, How to prepare a restaurant operations manual, *which will be published later this month. For a copy of this do-it-yourself handbook, contact NRA's Educational Materials Center, 311 First St., N.W., Washington, DC 20001. The manual sells for $10 (NRA members) or $20 (non-NRA members). Please specify order number CS300.*

☑ Checklist for determining if your restaurant needs an operations manual ☑

	YES	NO
1. Do you or your management staff regularly devote extensive time and effort to operational problems which are recurring in nature and which can be clarified by a written statement?	☐	☐
2. Are your employees unaware of your personal standards and expectations, and do they often come to you with questions of procedure?	☐	☐
3. If one of your key employees were to quit, would the staff be unable to maintain the current level of service because your standards are not documented?	☐	☐
4. Do new employees begin work without a clearly written reference source that spells out your restaurant's standards and procedures and reinforces their orientation and initial on-the-job training?	☐	☐
5. Do you anticipate opening an additional restaurant in the near future where training demands will take considerable management time?	☐	☐
6. Have you received customer complaints that are attributable to poor quality food and/or service, indicating a need for reinforcing your standards?	☐	☐
7. Have health department inspections resulted in rating scores considered unacceptable and/or in citings of recurring sanitation problems which can be improved if you can clearly communicate your standards to your staff?	☐	☐
8. Do you believe your restaurant's sales, bottom line profits, industry recognition and other goals have not been achieved during the past year partly because your staff has not understood or has been unable to consistently apply your standards?	☐	☐

Even one "yes" response signifies a need for more specific, easier understood or new written standards and procedures. But more than two "yes" answers indicate a significant gap in the communications in your operation, and you should seriously consider developing an operations manual appropriate for your restaurant.


A Primer on Promotions
Proceedings from NRA's First Annual National Conference on Promotions
New York City
Sept. 13-15, 1982

Many of the most creative and interesting marketing and promotional programs in the foodservice industry are described in this transcript by the individuals who developed the program.

This transcript is an invaluable tool for marketing executives in the industry who need to keep up with the latest trends.

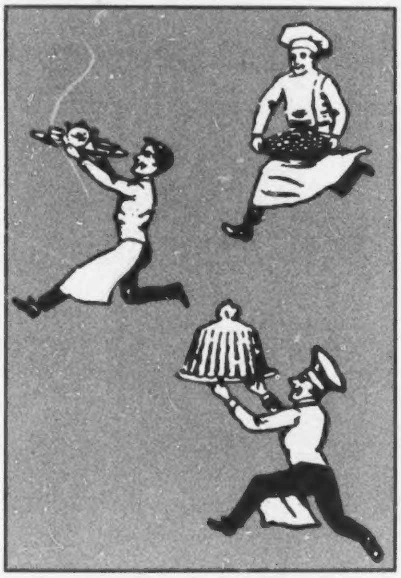
For information contact the NRA Educational Materials Center at the address below or call (202) 638-6100/(800) 424-5156.

National Restaurant Association, 311 First St., N.W., Washington, DC 20001

NRA and ACF to establish U.S. Culinary Olympic Fund

On Tuesday, Nov. 23, 1982, the NRA Culinary Olympic Committee decided to establish the U.S. Culinary Olympic Fund, a foundation created to raise the funds necessary for sponsoring the 1984 U.S. Culinary Olympic Team. It is expected that documents of incorporation and bylaws outlining the fund's operation will be approved by the committee at its upcoming meeting, Jan. 4, 1983.

Commenting on the creation of the new foundation, NRA President John Dankos said, "This is a very exciting undertaking for NRA. Not only does it allow restaurant owners and operators to work closely with the chefs and the associations representing the chefs, it also gives us all the opportunity to demonstrate that we now have the world's finest cuisine."



In a series of three tryouts, chefs from across the nation will vie for placement on the team and the honor of competing in the international culinary competition to take place in Frankfurt, Germany in 1984. The 1980 competition drew 55,000 visitors and 500 chefs from 23 nations. That year the U.S. team won 32 gold medals and two silver medals, outstripping chefs from France, Italy and Austria, all well-known centers of international cuisine.

The U.S. Culinary Olympic Fund is jointly sponsored by NRA and the American Culinary Federation. The composition of the NRA Culinary Olympic Committee, the body charged with directing the foundation's activities, reflects this shared responsibility. The committee is chaired by Walter Conti, Conti Cross Keys Inn. NRA President John Dankos, Dankos Enterprises, Inc., Thad Eure, Creative Dining Food Systems, Inc. and Ernest Royal, Royal's Hearthside also serve as committee members along with General John D. McLaughlin, Ferdinand Metz, Baron Galand and Edwin Brown of the American Culinary Federation.

The committee is currently studying funding methods and plans to promote the fund and its mission. Donations will be sought from both corporations and individuals, and proceeds will be used to finance the team's appearance in Europe and the cost of selecting and training team members.

THE BOARD ROOM

Board discusses foodservice careers with leaders of the NAACP

Last month several NRA Board members met with the leaders of the National Association for the Advancement of Colored People (NAACP) to discuss career opportunities in the foodservice industry.

Ernie Royal, chairman of the NRA Human Resources Committee, pointed out that during each of the next 10 years the restaurant industry will have an average of 250,000 new positions available. "In a period of high minority unemployment," Royal said, "it is important for people to know these opportunities exist."

Accompanying Royal were NRA Director Fred Schneeweiss and Honorary Director Jerry Berns. They described the rapid advancement that is possible in the foodservice industry. "Dishwashers or buspersons who work hard often rise to managerial positions," Berns pointed out. "Most foodservice firms supply plenty of in-house training."

Among programs discussed during the meeting were developing a pilot seminar and job fare for minority youth, adapting some NRA seminars to an audience of minority restaurant operators and launching a joint publicity program concerning career opportunities in foodservice.

Royal will report these recommendations to the Human Resources Committee when it meets in February.

—Dorothy Dee

Certificate of Appreciation
RAMADA

NRA President John G. Dankos (left) receives certificate of appreciation from Ramada Hotel Group President Juergen Bartels for his volunteer activities on behalf of NRA members.

EDUCATION

6 Purchasing tips for the new restaurant operator

You can't serve dinner until you've bought the groceries; and for the restaurateur, there are a lot more options than the local supermarket. Stephen Miller, president of the Miller Resource Group and instructor for NRA seminars "Controlling Food Costs" and "Basic Purchasing," offers these purchasing tips for the new restaurant operator.

1. Developing a source of supply

The key to selecting wholesale distributors is comparison shopping. Keep in mind that there are four factors to consider when selecting a purveyor: price, service (can he handle special orders? delivery? emergencies?), quality and time (do you need quick delivery, or can you afford to have the supplier shop around for you?). In general, you will have to choose a combination of several factors.

Visit the supplier! Look at the type of products he carries and at the nature of his facilities. Is the equipment in good repair? Is the operation in good sanitary condition? Are the employees bright, professional and helpful—even in low-skill positions? A responsive staff is a good sign that the supplier can be relied upon to provide good service.

To cover emergencies, maintain at least two suppliers for every category of products you order. The small operator can consider the grocery store as a backup subject to state wholesaling laws.

2. Delivery

This is a common problem area for suppliers and operators, and should be a factor when selecting a supplier. Find out who is doing the delivering. Does the supplier deliver with his own truck or does he use a common carrier—a trucking company that delivers for a number of purveyors? It is preferable to keep away from third-party delivery, as it generally involves a great deal more handling of the products. The chance of loss, damage or misdirection increases each time the merchandise is transferred between trucks and distribution points. A supplier who uses his own trucks has a greater interest in assuring that the products are transported in good condition, and, once loaded, they probably won't need to be handled until they reach you.

Keep in mind that it's best to deal with local people as much as possible. Supply is more reliable when the products are close at hand.

3. Developing specifications

The supplier needs to know what you want, so you must decide what you want at a price you want to pay. Specifications are standard descriptions of the products needed and may include brand names, USDA. Grades and physical descriptions (such as melons of specific dimensions or weights). Don't settle for "the best I can afford." The "best" often depends on the product's application. Loose, leafy iceberg lettuce may be great for sandwiches, but you might prefer tight, dense heads for a salad bar.

Remember, suppliers offer more options than you can find at the grocery store. They generally can provide foods that are out of season and can find products to meet specific requirements.

4. Quantity and frequency of purchases

Planning how much of any product you will need is essential because you will probably not be able to return the surplus. Buy as little as possible, maintaining a small inventory. Not only does this help your cash flow, but it also helps to prevent loss and misuse of products. When there is more than enough available, it is common to prepare foods in quantities larger than can be used. Do, however, maintain a margin of safety. A good rule of thumb is to stock one to two weeks worth of supplies (unless you're in an isolated location or have other special circumstances which might make larger stock necessary). For keeping extra supplies on hand, set up two storage areas—an open storage area in the work station and locked storage for back-up supplies.

To determine the frequency of your

purchases, adjust your ordering period to the volume of business you're doing with the purveyor. Because it is costly to handle products, purveyors generally establish minimum orders. Exceeding the minimum order may mean reduced cost. So you may save money by ordering less frequently with larger orders.

Generally, produce is ordered three times a week, and suppliers are accustomed to small orders and frequent deliveries. Meat, fish and poultry are generally ordered once a week; but if you use frozen meats, you may be able to go two weeks between orders.

5. Credit and payment

The best bet, especially for a new operator, is to voluntarily pay for products c.o.d., rather than establishing credit accounts with purveyors. Suppliers generally prefer to deal in cash because they finance their inventories with loans and are paying interest on their purchase prices. Therefore, if they sell on credit, you can be sure the cost of products increases with the interest payments. So it costs you less to pay on delivery than to set up credit with the purveyors.

Another benefit to paying on delivery is the purveyor takes no gamble with you, so you never run the risk of being cut off.

6. Protecting your purchases

Two simple steps can save you worry and money.

(1) Put in a scale. When products are delivered, weigh them in to make sure you're getting what you order.

(2) Lock your storage areas. This ensures you're keeping what you order.

If you are interested in getting more in-depth information concerning purchasing, NRA will be offering the new seminar on basic purchasing, beginning this spring on

- April 18, in Cincinnati, OH
- May 9, in Rochester, NY
- May 21, in Chicago, at the NRA Show.

More information on this program or other NRA seminars is available through the seminar department, 311 First St., N.W., Washington, DC 20001. You can also call toll-free at (800) 424-5156.

—Cathy Kenney

THE LAW

The lease: some factors to consider

The lease on the restaurant property is among the most significant documents for the beginning restaurateur. You may be intimidated by the obscure legal language and the endless flow of numbered paragraphs. But the lease is just like any other contract—a statement of responsibilities of both parties. It is important that you negotiate the terms you need and make sure those terms are spelled out clearly in your lease.

Decide the rental terms before you begin negotiations. . .

Your greatest obligation under the lease will generally be the payment of rent. This may be limited to a fixed amount per month for a given period of years, or it may consist of a fixed amount plus a percentage of your gross sales. By negotiating a rent payment that consists of a lower fixed amount and a higher percentage, you shift more risk to your landlord. In other words, if your business is less successful than you hoped, the landlord's percentage will be a smaller dollar amount, and you will save rent money. On the other hand, if your operation is very successful, the landlord's percentage may constitute a sizable windfall that you would prefer to invest in something other than rent. So it's important to make a realistic assessment of the business volume you expect and decide what rental terms you can comfortably accept *before* you begin the negotiation process.

If you are renting the property for a period of years with an option to extend your occupancy beyond that period, specify the rent payable for the extended period or at least outline a formula for determining what that rent will be. Otherwise, the landlord may exact a heavy increase from you for the right to continue at that location.

Landlord's responsibilities should be specified. . .

In exchange for your rental payments, the landlord generally agrees to provide certain services, and you will want these responsibilities specified in as much detail as possible. Does the landlord promise to make certain repairs to the property before you move in? What will the landlord provide in the way of utilities and repairs, and who will pay for them? What rights will you have to modify or adapt the property for your purposes? What rights do you have relating to customer parking, erection of signs or going into a sideline business on the site? These are a few of the items you'll want to consider and commit to writing.

Remember that in most cases the lease contains the entire agreement between the parties—all the promises made by both sides—and will usually contain a provision to this effect. So you will find it difficult to prove any verbal agreement or modification of the lease made "on the side." In addition, memories tend to fail with the passage of time, leading to disputes about the exact nature of what either side may have agreed to verbally. Protect yourself by thinking through the responsibilities of landlord and tenant and making sure that all those responsibilities are included in the written lease.

—Robert Palmer

HUMAN SIDE

An employee handbook can save you time and money

In these days of rising costs, lower profits and concentrated efforts to find ways to curb spiraling inflationary trends, the employee handbook can help. How? Just ask yourself these questions

- How much time do you lose in your organization by employees asking operational questions of supervisors, the personnel department or other employees?
- How much time do you lose by new workers seeking information about their pay schedule, benefits and other routine office procedures?
- How much time do you lose on errors because employees do not know where to turn for information?
- How many of your employees do you lose because they don't understand and appreciate the benefits they reap in your organization?

An employee handbook will help reduce turnover, define jobs and improve communication. And it's easier to put together than you think.

Five general areas. . .

Your handbook should provide your employees with some basic information. This information generally falls into the following five general areas

I. *Purpose of the handbook*. It may seem obvious to you, but it's important to let your employees know why you've given them an employee handbook. Common purposes are: to introduce them to you and your operation, to let them know your goals for them and what they must do to fulfill the requirements of their job and to let them know how the operation is organized—in other words, who's in charge.

II. *Employee policies*. A written statement of policies can save hours of management time and can help build morale since there is less room for misinterpretation. Areas usually covered include how and when employees are paid; the hours of business and work schedules; procedures for late arrival; sick leave and personal leave; holidays honored; promotion procedures; salary and performance evaluations; grounds for dismissal; dress codes, if applicable and other administrative directives.

III. *House policies*. This section concerns operational details, such as how employees should report the tips they receive; what is their responsibility for breakage and errors; who takes care of customer complaints; sanitation policies and procedures; smoking regulations; what to do if there's an accident, fire or other emergency; who locks up, and where to keep personal valuables.

IV. *Fringe benefits*. Employees often don't realize that there is more to their wages than the paycheck they take home. This section allows you to spell out what these extras are. Topics covered might include free or reduced meals, vacations, health insurance, life insurance, profit sharing, bonuses, pension plans, educational assistance and other areas.

V. *Training and communication*. This section can serve as a refresher for on-the-job training and can spell out promotion procedures, communication channels and other related topics.

A good rule of thumb is to ask your employees to sign a statement attesting to readership and understanding of the handbook. This acknowledgement should then become a part of the employee's permanent file. It can help settle some disputes should they arise.

Seminar to help. . .

For those who would like help developing an employee handbook for their operation, NRA offers a seminar entitled "Preparing a Successful Employee Handbook." This two-day seminar is a follow-up to NRA's very successful publication "The First Day—A Checklist for Employee Orientation." It sets up clear guidelines for putting together an employee handbook for your operation. The handbook you develop is just as effective for a one-unit operation as for one with 100 units or more.

Seminars will be held this spring in Dallas, TX, on February 23-24; in Atlantic City, NJ, on April 6-7; and in Chicago, IL, on May 21-22 during the NRA Show.

For further information, call NRA's educational seminar department at (800) 424-5156. —*Walter Ashcraft*

TECHNICAL SERVICES

Make sure your proposed restaurant complies with public health standards

Plan review is a procedure that becomes familiar to anyone opening a restaurant. If effectively implemented, this procedure will save time and dollars. If ignored, it can delay an opening and result in the needless expenditure of dollars.

Although your architect and engineer will take charge of submitting your proposed restaurant plans for review and approval to building, electrical, plumbing and fire departments and sometimes even state highway departments, you must take care of submitting those plans and specifications to the public health agency for review and approval before construction work is begun.

How do you proceed? Contact the health department and ask them for their specific guidelines for plan preparation, review, approval and subsequent actions, such as a pre-opening inspection.

The guidelines they send you will probably ask for

- *A floor plan to scale* that provides a layout of such design systems as electrical, plumbing and ventilation. (See sample floor plan.) If public water or a sewer is not available for your facility, a plan of the private system will have to be submitted.
- *A schedule of the materials to be used for the finish of walls, floors and ceilings in each room.* Walls in food preparation areas must be light colored, smooth, non-absorbent and easily cleanable. Floors and floor coverings in kitchens, toilet rooms and dining rooms must be constructed of smooth, durable material, such as sealed concrete, terrazzo, ceramic tile or durable grades of linoleum. Carpeting may be used in dining areas.
- *Lighting and ventilation specifications.* Usually there are minimum lighting requirements in food preparation areas, dishwashing sections and food storage facilities. You also will be required to furnish information indicating that sufficient ventilation will be provided to keep the kitchen and service areas free of noxious vapors, smoke and fumes.
- *A schedule of equipment and the details of installation.* The schedule will have to show not only the name of the equipment but also the manufacturer and the model number. This information is used to determine if the design, material and construction of the equipment meet public health requirements. The equipment installation information should indicate any plumbing or electrical connection and the method of mounting or building of the equipment.
- *Information on the exterior of the building.* If a parking area is to be provided, the public health department will require a treated surface that will minimize dust and a properly graded and drained surface to prevent the ponding of water.

Once your plans have been approved, store a complete set of plans and specifications at the job site for use by inspectors during construction. Be sure that any modification is approved and initialed by the appropriate authorities. This procedure will ensure that the pre-opening inspection by the public health department will find all in order and will not delay opening of your restaurant.

—*Andrew P. Poledo*

ROOM FINISH SCHEDULE

ROOM NO.	ROOM NAME	FLOOR MTL.	BASE MTL.	WALL FINISH MATERIAL				CEILING		REMARKS
				TOP	BOTTOM	TOP	BOTTOM	MTL.	HGT.	

EQUIPMENT INSTALLATION INFORMATION

ITEM NO.	ACCESSORIES	PLUMBING									ELECTRICAL	INSTALLATION INFORMATION
		WATER⑤			WASTE			FAUCETS		REMARKS		
		COLD	140°	180°	SIZE	TYPE	HEIGHT	TYPE	BY			

⑤IF WATER AT OTHER TEMPERATURES IS REQUIRED, INDICATE AS A REMARK AND SUPPLY INFORMATION SEPARATELY.

AT YOUR SERVICE

Questions from would-be restaurateurs

Q. Can you recommend books written for a new restaurant manager?

A. The information service and library has compiled a comprehensive bibliography on managing a restaurant that can be obtained by simply calling the information service at (800) 424-5156 or by writing to the National Restaurant Association, Information Service & Library, 311 First Street, N.W., Washington, DC 20001.

When ordering, please specify stock number 003-008-00187-4.

Q. How should I go about purchasing an electronic cash resgister?

A. NRA's manual "The Restaurateur's Guide to Electronic Cash Register Selection" covers 10 selection steps. Each step is designed to systematically increase the restaurateur's knowledge of electronic cash registers, to help identify the restaurant's needs and to effectively match a cash register to the operation.

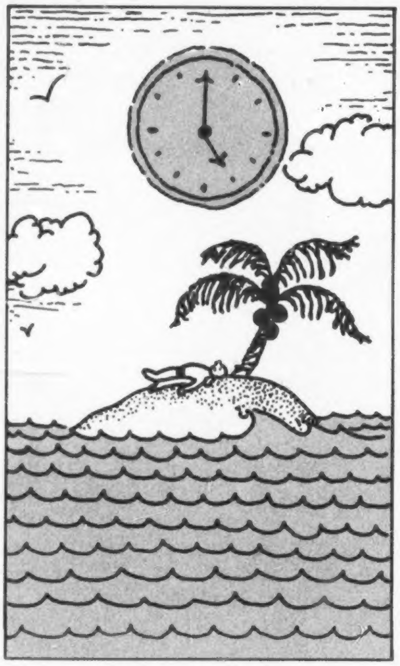
This manual does not make any recommendations on particular manufacturers; it is a simple and direct set of guidelines so you know enough about electronic cash registers to be a confident and knowledgeable buyer.

A copy of this manual can be obtained from NRA's Education Materials Center at a cost of $25. Please specify order #MG 152.

Q. How can I find a list of foodservice equipment companies?

A. NRA has two directories available: an NRA convention exhibitor's guide and a buyer's guide for NRA allied members.

Both directories, updated annually, can be obtained from the information service and library.



Q. I am setting up my vacation policy for my hourly employees. Can you tell me how much vacation time other companies offer?

A. Here are results from NRA's recent report "A Foodservice Operator's Guide to Benefit Plans for Hourly Wage Employees".

Amount of vacation	Median length of service
1 week	1 year
2 weeks	2 years
3 weeks	6 years
4 weeks	15 years
5 weeks	25 years

Q. Can you provide me with information on what attributes consumers look for when they select a restaurant?

A. Results of NRA's 1982 consumer attitude and behavior study—"How Consumers Make The Decision To Eat Out"*—show that the 13 most important attributes by type of restaurant are:

Fast food restaurants

1. Quality of food
2. Friendly service
3. Convenient location
4. Fast service
5. Convenient parking
6. Expected cost of total meal
7. Nutritious food
8. Atmosphere
9. Price of individual menu item
10. Variety of menu items
11. Special menu item
12. Special discounts, promotions
13. Non-smoking section

Family restaurants

1. Quality of food
2. Friendly service
3. Atmosphere
4. Nutritious food
5. Variety of menu items
6. Expected cost of total meal
7. Convenient parking
8. Fast service
9. Convenient location
10. Special menu item
11. Price of individual menu item
12. Non-smoking section
13. Special discounts, promotions

Atmosphere restaurants

1. Quality of food
2. Friendly service
3. Atmosphere
4. Variety of menu items
5. Nutritious food
6. Special menu item
7. Convenient parking
8. Fast service
9. Convenient location
10. Expected cost of total meal
11. Price of individual menu item
12. Non-smoking section
13. Special discounts, promotions

—Joan Campbell

**To order, contact the educational materials center. NRA member price is $25.00, for non-members $40.00. Please specify #CS960.*

Highlight May 21-25 on your calendars—it's the NRA Show

The sixty-fourth NRA Restaurant, Hotel-Motel Show will convene in Chicago's McCormick Place on May 21. "There's nothing in the world quite like the NRA Show," explains Ted Balestreri, NRA convention chairman and co-owner of the Sardine Factory in Monterey, CA. "It's the ultimate in restaurant, hotel-motel shows. Last year there were over 85,000 attendees and 1,237 companies exhibited their products, services and industry know-how. This year promises to be even better," emphasized Balestreri.

Look for a preview of the 64th annual NRA Restaurant, Hotel-Motel Show in the April 1983 issue of the *NRA NEWS*.

SHOWTIME

NRA-TV Today gears up for another broadcast

If you attend the NRA Show this year, someone may walk up to you and say, "Smile, you're on television." But not just any television—it's NRA-TV Today.

NRA-TV Today is the association's TV news magazine covering the events at the Show from unusual floor exhibits and educational programs to interviews with industry personalities and special features. "Watching NRA-TV Today is the best way to plot out your itinerary while you're at the Show," maintains Tom Corcoran, NRA's convention director.

This is the second season for NRA-TV Today. If you're staying in any one of the 28 major Chicago hotels, NRA's news magazine will be broadcast directly to you each morning at 7 a.m. and in the late afternoon at 4 p.m.—20 hours total. It will give you a chance to catch what you missed during the day as well as preview the next day's events.

It's an NRA first. . .

According to Corcoran, convention exhibitors and meeting planners have been working for years on ways to keep convention participants up to date on the daily activities at shows the size of NRA's convention. "We've seen hundreds of daily convention newsletters struggle to get out on time every morning and then tossed aside simply because of the amount of reading materials passed out at shows," he explains.

NRA-TV TODAY!
NEWS TEAM ON LOCATION
WATCH US
Mornings at 7:00 am
Afternoons at 4:00 pm

It will be easy to stay in the swing of things during the NRA Show with "NRA-TV Today," the up-to-the-minute news magazine which will be broadcast live to 28 Chicago hotels.

The TV news magazine format of getting the information out in a timely manner seemed like the natural step, considering the growing popularity of commercial news magazine formats, such as the CBS program '60 Minutes.' "With NRA-TV Today, it's as easy as turning your television on during your morning coffee or catching up on upcoming events when you're resting your tread-worn feet in the afternoon," says Corcoran.

According to Corcoran, NRA-TV Today eventually will pay for itself because the news shorts and features are interspersed with one-minute, 30-second and 10-second commercials bought by Show exhibitors.

In an effort to document viewer interest in NRA-TV Today, the association put together a viewing audit of last year's programs. About 44 percent of Show participants who stayed in downtown hotels viewed the NRA program last year. They rated the programs as interesting and said the information they received would prove useful for their jobs.

This year's programs promise to be just as informative. So when you attend the Show this year, tune into NRA-TV Today, anchored by some of the top TV journalists in the Chicago area.

And don't be surprised if NRA's roving camera crew stops and asks you a question or two.

—Steven Dahllof

FOODSERVICE TRENDS

Proposed research study to examine restaurant occasion segmentation

NRA hopes to embark on an exciting research study that would use a technique called occasion segmentation. This technique is based on the premise that restaurant customers choose different restaurants depending on differing sets of circumstances and needs, and that specific restaurant characteristics fit these varying needs and situations.

This information is not accessible from traditional market studies defined in terms of demographic or psychographic groups.

The results from a comprehensive occasion segmentation study would provide more specific information about restaurant patrons. For example, by looking at dollars spent by different customers, operators could find out what percent of their sales is due to convenience occasions, family get-togethers, special occasions or "nights on the town."

By understanding what types of occasions account for most of their sales, operators can more easily answer such strategic questions as

- What other restaurants do I compete with for these eating out occasions?
- Should I try to attract patrons who eat out for different reasons as a means to increase sales?

Joint funding is necessary. . .

The cost of a research study which could supply this kind of information is high. As a result, it could be done best if several participants underwrite the cost of the project. Not only would participating companies receive a comprehensive report based on the general sample of about 1,500 persons representing between 3,750 and 4,200 separate restaurant occasions, but they would also receive detailed information based on a sample of 200 of their own customers. This report would include recommendations on how to strategically use the information. The National Restaurant Association would be a participant and would receive information based on the general sample.

If you are interested in participating in this unique research project or want more information, please contact: Bette B. Hoyt, research manager, National Restaurant Association, 311 First Street, N.W., Washington, DC 20001 (800) 424-5156

Consumers rate restaurant cleanliness very high

Consumers have high expectations about the cleanliness of the restaurants they patronize, according to the results of a soon-to-be released NRA survey—*Consumer Expectations with Regard to Dining Away From Home*.*

Of 22 restaurant features—ranging from various aspects of the food served (appearance, temperature) to the quality of service (greeted with a smile, quick food delivery) to the atmosphere (cleanliness, use of fresh flowers)—consumers have the highest expectations with respect to the overall cleanliness of the eating establishment. More than eight out of 10 people surveyed reported that they had very high expectations about the cleanliness of the restaurant. This high degree of concern for a clean restaurant was true for all types of restaurants—fast food, family and atmosphere/specialty.

Since cleanliness is such an important component of the dining experience, NRA sought further information on how consumers rate this characteristic at restaurants they recently visited. As a result, a question was included on the September Gallup survey concerning the cleanliness of the restaurant patronized. This information was compared with earlier Gallup survey questions on two other important restaurant features—service and food quality.

Consumers interviewed for the September *Gallup Monitor of Eating Away from Home*,** who indicated they had eaten out the previous day were asked, "Using a scale of one to 10, where 10 represents extremely clean and one represents extremely unclean and the numbers in between represent varying degrees of cleaniness—where on the scale would you rate the cleanliness of the restaurant you visited?"

Overall, patrons rated the cleanliness of the restaurant they last patronized very high. Almost 20 percent of the individuals interviewed rated cleanliness as excellent and

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*This new NRA consumer attitude and behavior survey will be published in three parts:
- *Consumer Expectations with Regard to Dining at Fast Food Restaurants*
- *Consumer Expectations with Regard to Dining at Family Restaurants*
- *Consumer Expectations with Regard to Dining at Atmosphere Restaurants*

Look for announcements about the availability of these three reports in the March 1983 issue of *NRA NEWS*.

more than six out of 10 gave it a good rating. On the other hand, a considerably smaller proportion of respondents, 16.7 percent, rated cleanliness as fair and less than one percent gave it a poor or very poor rating.

Food quality and service received slightly lower ratings than did cleanliness. A large proportion of individuals interviewed rated food quality and service as excellent or good, 60.9 percent and 75.2 percent, respectively. The corresponding percentages for poor or very poor ratings were 4.1 percent and 3.2 percent.

Women and older adults give cleanliness high rating. . .

A demographic analysis of the data reveals that women are more inclined than men to rate the cleanliness of the restaurant they last visited as excellent. Approximately one-fourth of the female respondents indicated that the cleanliness of the restaurant was excellent versus only 13.8 percent of the men interviewed. This was also the case with food quality and service as a larger proportion of women than men rated them as excellent. However, 65.8 percent of the men said the cleanliness of the establishment was good while the corresponding proportion for women was somewhat lower—57.5 percent.

On the other hand, 1.1 percent of the females interviewed indicated the cleanliness of the last restaurant they visited was poor or very poor while only 0.3 percent of the male respondents gave it this same rating.

Older people rated the cleanliness of the last restaurant they visited higher than younger individuals. Approximately four out of 10 respondents 50 years old and over gave cleanliness an excellent rating. In comparison, only 6.6 percent of individuals between the ages of 18 and 24, one out of 10 in the 25 to 34 age segment and 17.9 percent of respondents age 35 to 49 stated the cleanliness of the restaurant was excellent. Patrons in these latter three age categories were more inclined to give cleanliness a good or fair rating.

However, a relatively large proportion of individuals 65 years old and over—3.6 percent—rated the cleanliness of the establishment as poor or very poor. In comparison, only 1.2 percent of respondents in the 25 to 34 age group gave cleanliness a poor or very poor rating while none of the individuals in the other age categories—18 to 24, 35 to 49 and 50 to 64—gave cleanliness this same rating.

Cleanliness ratings by age group

Cleanliness ratings	18 to 24 years old	25 to 34 years old	35 to 49 years old	50 to 64 years old	65 + years old
Excellent	6.6%	9.9%	17.9%	37.6%	38.2%
Good	72.1	66.6	64.2	49.6	47.3
Fair	21.1	20.4	14.9	9.5	10.9
Poor	—	1.2	—	—	—
Very poor	—	—	—	—	3.6

Cleanliness ratings by sex

Cleanliness ratings	Total Respondents	Male Respondents	Female Respondents
Excellent	18.7%	13.8%	24.8%
Good	62.1	65.8	57.5
Fair	16.7	20.2	12.6
Poor	0.3	0.3	0.4
Very poor	0.3	—	0.7

Cleanliness ratings vary by income level. . .

People from households earning $15,000 to $19,999 rated the cleanliness of the last restaurant they patronized higher than those from other household income segments. Almost 27 percent of the individuals interviewed in this income category stated cleanliness was excellent, compared with almost 23 percent of those in the under $15,000 and $30,000 and over income groups.

Respondents from households earning between $20,000 and $29,999 had the lowest proportion giving cleanliness an excellent rating—16.1 percent. On the other hand, this income segment had the largest percentage of individuals, 2.3 percent, stating the cleanliness of the establishment was poor or very poor. Only 1.8 percent of respondents earning $15,000 and under and none of the individuals in the $15,000 to $19,999 and $30,000 and over income levels gave cleanliness a poor or very poor rating.

Infrequent restaurant patrons view cleanliness more favorably. . .

Individuals who eat out less than once a week are more inclined to view restaurant cleanliness as excellent, while people who eat out at least once per week tend to view it as good or fair. Interviewees who reported dining out less than once a week also rated food quality and service higher than frequent restaurant patrons. Nearly four out of 10 individuals who said they eat out less than once a week stated that the cleanliness of the restaurant they last patronized was excellent compared with three out of 10 respondents who said they eat out once a week, 22.6 percent of those who reported eating out two or three times and 12.0 percent of those stating they eat out four or more times. On the other hand, a larger proportion of frequent restaurant patrons rated cleanliness as poor or very poor than did infrequent consumers.

Family restaurants receive highest cleanliness rating. . .

Family restaurants had the largest proportion of individuals rating cleanliness as excellent or good. Nine out of 10 family restaurant patrons rated cleanliness as excellent or good while eight out of 10 respondents gave cafeterias and adult-oriented restaurants this same rating. Service and food quality also received high marks from family restaurant patrons.

**The *Gallup Monitor of Eating Away from Home* is conducted monthly and tracks trends in eating out behavior for the U.S. population. Telephone interviews are conducted with approximately 1,000 adults 18 years of age and older. Respondents are asked to report on all meals eaten at a restaurant, fast food establishment, or any other place where food was purchased, such as a lunchroom or cafeteria at work or school on the previous day. Specifically, individuals are asked to report on which meal occasion they ate out, the type of restaurant visited and which day of the week the visit occurred. The interviewing for NRA's cleanliness question took place between Sep. 10 and Sep. 23, 1982.

The corresponding proportion for fast food restaurants was somewhat lower—73.8 percent. Only 7.8 percent of the individuals interviewed rated cleanliness at this restaurant type as excellent while the proportion giving it a good rating—66.0 percent—was somewhat higher than for other restaurant categories.

Fast food restaurants also had a larger percentage of individuals rating cleanliness as fair than other restaurant types. In addition, 1.2 percent of fast food restaurant patrons gave cleanliness a poor or very poor rating. The corresponding proportion for cafeterias was similar—1.3 percent. In contrast, cleanliness at family and adult-oriented restaurants received no poor or very poor ratings.

Cleanliness ratings by restaurant type

	Restaurant type			
Cleaniness ratings	Family type	Fast food	Cafeteria	Adult-oriented
Excellent	26.8%	7.8%	25.6%	27.5%
Good	63.4	66.0	52.5	55.0
Fair	8.9	22.7	16.7	17.6
Poor	—	0.4	1.3	—
Very poor	—	0.8	—	—

Cleanliness rated highest at dinner. . .

Cleanliness was rated highest at dinner as were food quality and service. Almost nine out of 10 individuals interviewed rated cleanliness at dinner as excellent or good. In comparison, a somewhat smaller proportion of respondents—75.7 percent—rated cleanliness at lunch as excellent or good. This meal period also had a larger share of individuals—20.6 percent—rating cleanliness as fair versus 18.2 percent of patrons who gave this rating at breakfast and 11.1 percent who gave this rating at dinner. A large porportion of the mid-day meals are consumed at fast food restaurants and may account for the lower cleanliness ratings at this meal period.

Cleanliness ratings by meal period

Cleanliness ratings	Breakfast	Lunch	Dinner
Excellent	22.7%	17.4%	19.6%
Good	59.1	58.3	67.5
Fair	18.2	20.6	11.1
Poor	—	0.7	—
Very poor	—	—	—

Editor's note:

Consumers interviewed for the March and June Gallup surveys were asked questions for two other important restaurant features—service and food quality. For analysis of the responses to these inquiries see the "Foodservice Trends" section of the September 1982 and May 1982 issues of NRA NEWS.

Consumers want to eat out more often

A Gallup consumer poll sponsored by the National Restaurant Association reveals that the market for meals away from home is far from saturated. If adult consumers were able to eat in restaurants as frequently as they would like, customer traffic would jump by about one-third. Last year's survey disclosed approximately the same proportion of respondents who said they would like to eat out more often. (See December 1981 issue of *NRA NEWS*.)

Reasons why consumers have not been able to dine out as frequently as they would like during the past couple of years have centered around economic conditions. Many consumers said they would like to eat out more often, but they either do not have discretionary income to spend or they feel other discretionary items have a higher priority. Since 1979, the demand for restaurant meals has been constricted by escalating costs for housing, energy and transportation as well as by the fear, or reality, of unemployment.

A recent NRA survey confirmed that economic conditions do affect eating out habits. (See page 21 of the May 1982 issue of *NRA NEWS*.) Nearly three-fourths of those questioned said that economic conditions have affected the types of restaurants they visit. In addition, four out of 10 respondents said that they are looking for forms of entertainment other than eating out.

Because the Gallup survey results indicate that the consumer appetite for meals away from home is far from satisfied, this puts the industry in a strong position to capture a larger share of the consumer dollar in the future. This will be especially true as the economy improves in 1983 and 1984. Moderating inflation, lower interest rates, higher employment and more discretionary spending power will all benefit the foodservice industry.

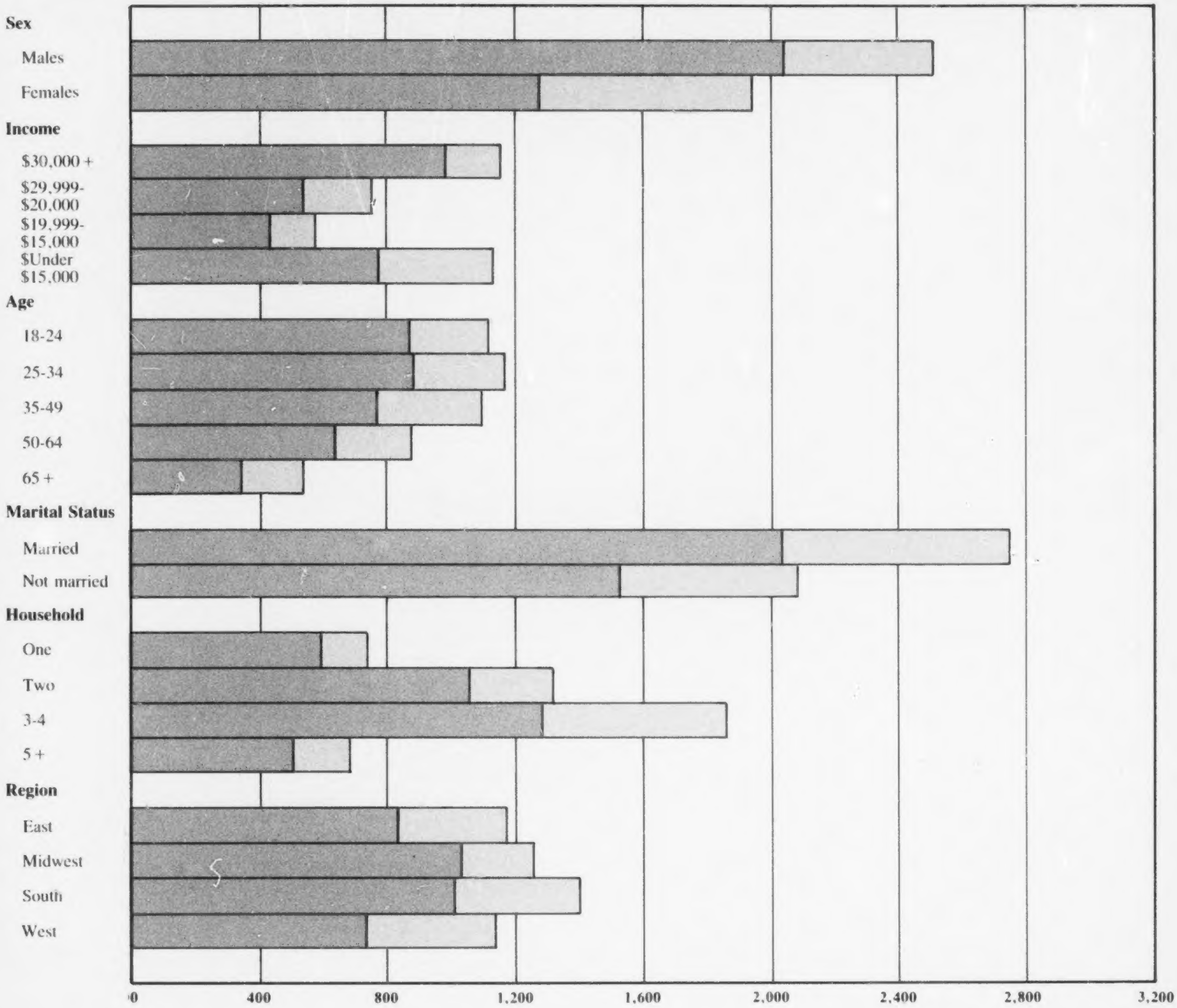
The following demographic information indicates that those consumers who are most likely to feel financially pinched and who should feel positive effects from the improving economy contribute most to 'pent-up' demand for restaurant meals.

Four out of 10 adults would like to eat out more often. . .

Nearly 40 percent of adults questioned in September 1982 by Gallup's *Monthly Monitor of Eating Away From Home* said that they were not eating out often enough. Those who were most likely to report that they are not eating out as much as they would like include consumers who eat out less than once a week (62.6 percent), those who eat out once a week (52.2 percent), consumers from households with incomes under $15,000 (49.8 percent), consumers from households with five or more members (50.0 percent), women (45.5 percent) and consumers between the ages of 25 and 34 (42.0 percent).

Most revealing for the restaurateur is what this 'pent-up' desire to eat away from home means in terms of customer traffic. By asking those who said they were not eating out

Customer traffic increases if customers could eat out as often as they want



Note: Based on a weighted representative sample of 1,666 adults 18 and over, September 1982.

Source: National Restaurant Association; Gallup Organization, *Monthly Monitor of Eating Away from Home.*

often enough to specify how many more times per week they would like to eat away from home, we are able to gauge how large the market would be if consumers were financially able to eat in restaurants as often as they wished.

Overall customer traffic would rise by about one-third if those who wanted to eat out more could do so. However, some demographic groups are less satisfied with their current level of eating out than others, as indicated by the proportions shown in the accompanying table.

It is not surprising that those who are likely to be most financially pressured—consumers with lower incomes, married individuals, customers from large households, persons between the ages of 25 and 34 and senior citizens—would most like to increase their current level of restaurant occasions.

For more information on the current level of eating-out activity and increases that consumers say they would make if they were able to do so, see the accompanying chart. It also shows how specific demographic groups contribute to the total number of restaurant visits.

Eight out of 10 would like to eat more dinners out. . .

Those respondents who indicated they would like to eat out more frequently were asked what meal they would like to eat out more often if they could. More than eight out of 10 said they wanted to eat more dinners out compared with only one out of 10 who mentioned lunch. Because dinner is usually considered to be the most discretionary meal away from home, this finding suggests that it is the more discretionary restaurant visits which are being curtailed during the current economic downturn.

Customer traffic increases for second consecutive year

Customer traffic increased for the second consecutive year in 1982. During the 12 month period ending Aug. 31, 1982 customer counts at the nation's restaurants rose 1.0 percent following a somewhat faster—1.8 percent, gain—in the prior year. Although traffic has recorded an increase in each of the past two years, customer counts are still below the high level reached in 1978 when the industry was experiencing strong growth.

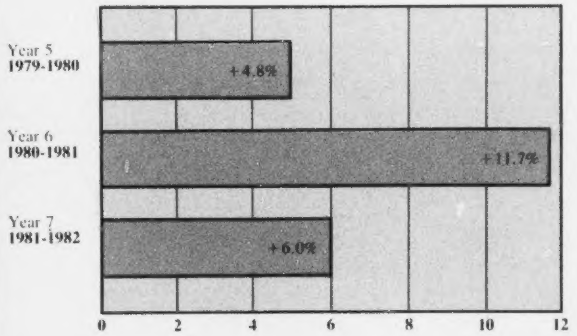
Here are some highlights from the most recent CREST (Consumer Reports on Eating Share Trends) year ending August 1982. Comparisons are made to the year ending August 1981.

CREST sales up 6.0 percent. . .

- CREST sales, which represent the commercial sector of the foodservice industry, posted a gain of 6.0 percent during the 12 month period ending August 1982 compared with a significantly larger 11.7 percent gain the year before.

Percent change in dollar sales

1979 through 1982

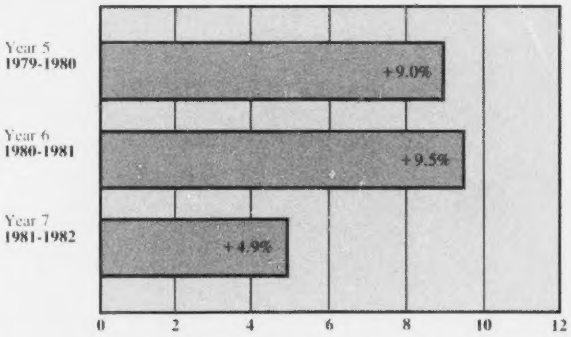


Note: *Based on year ending August 31.*

Source: *CREST, NPD Research Inc.*

Percent change in per person check size

1979 through 1982



Note: *Based on year ending August 31.*

Source: *CREST, NPD Research Inc.*

- Pizza restaurants recorded the largest sales gain of any restaurant category in the 1982 CREST year. This may be the result of the introduction of the new children-oriented pizza restaurants, which feature video games and animated characters.
- Strong sales growth of 10.3 percent and 12.0 percent was posted in the fall and winter quarters. However, sales were up only modestly during the spring and summer periods—2.6 percent and 1.3 percent, respectively.

Average check up only 4.9 percent in 1982. . .

- The average expenditure for a restaurant meal or snack—per person check size—moderated considerably in 1982—up only 4.9 percent. This compares with a 9.5 percent gain in 1981. Because of this slower rise in average check size during the most recent CREST year, the rate of sales growth was less than that experienced in prior years.

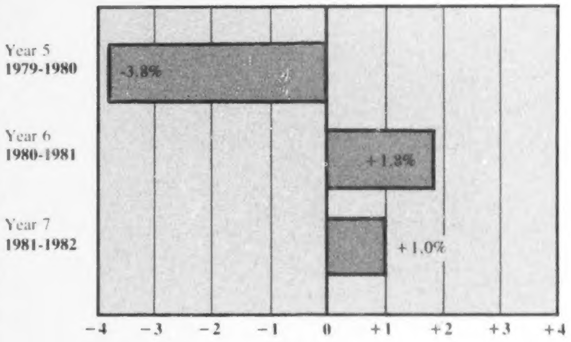
- The per person check size at fast food restaurants advanced 3.8 percent in the CREST year ending August 1982. This compares with a somewhat faster, 4.9 percent, increase for all restaurants.
- Atmosphere/specialty restaurants also recorded a below average, 3.9 percent, rise in the average check size in the most recent CREST year.
- Family restaurants posted a 5.7 percent increase in per person check size in 1982. In addition, take-out restaurants and cafeterias experienced above average gains

Traffic rose one percent. . .

- Restaurant traffic increased for the second consecutive year—up 1.0 percent in the year ending August 1982. Traffic advanced in the fall and winter quarters—up 0.8 percent and 5.2 percent. However, customer counts declined slightly in the spring and summer quarters—down 0.7 percent and 0.3 percent, respectively.

Percent change in customer traffic

1979 through 1982



Note: *Based on year ending August 31.*

Source: *CREST, NPD Research Inc.*

- The increase in traffic in the most recent CREST year can be attributed to an increase in party size, the average number of persons per occasion, up 1.0 percent. The average number of times families visited restaurants (visit frequency), was 8.5 times in a two-week period in the CREST year ending August 1982—unchanged from the prior year.
- The proportion of families in the eating-away-from-home market declined slightly—from 78.7 percent in the CREST year ending August 1981 to 78.0 percent in the most recent CREST year.
- Family restaurants recorded the largest gain in traffic in the 1982 CREST year—up 3.5 percent. Customer counts at this restaurant type posted a strong 10.0 percent gain during the winter quarter but recorded a decline of 1.9 percent in the June-July-August period.
- Fast food restaurants had the second largest gain in customer traffic—up 2.8 percent in the year ending August 1982. Traffic at this restaurant type increased in all but one period in the most recent CREST year—up 7.1 percent in the winter quarter, 1.5 percent in the spring quarter and 4.0 percent in the June-July-August period. However, customer counts declined 1.0 percent at this restaurant type during the fall quarter.
- Customer counts at atmosphere/specialty restaurants fell 0.5 percent in the 12-month period ending August 1982, compared with a decline of 1.0 percent in the year before.
- Take-out restaurants experienced a slight, 0.3 percent, rise in traffic counts in the 1982 CREST year. However, customer counts fell at other restaurant types—down 3.9 percent at coffee shops and 9.2 percent at cafeterias.
- Traffic increased for each meal occasion with the exception of snacking in the most recent CREST year. Breakfast posted the largest advance—4.6 percent—following a somewhat stronger, 5.8 percent, advance in the prior year. Customer counts at this meal period advanced in all but one quarter in the 1982 CREST year. Traffic was up 8.5 percent in the fall quarter, 14.6 percent in the winter and 1.2 percent in the spring. However, customer counts declined 1.9 percent during the June-July-August period.
- Customer counts at the evening meal were up 1.7 percent in the 12-month period ending August 1982 versus a somewhat stronger, 3.1 percent, advance in the year before. Supper traffic recorded the largest rise during the winter quarter—6.2 percent—followed by gains of 2.7 percent and 1.2 percent during the spring and summer quarters.
- Lunch traffic rose 0.5 percent in the most recent CREST year, similar to the 0.3 percent gain recorded in 1981. Customer counts at this meal occasion rose 3.8 percent during the fall quarter and 2.1 percent during the December-January-February period, but declined 3.1 percent and 0.3 percent during the spring and summer quarters.
- Snacking occasions recorded a slight, 0.2 percent decline, in the 1982 CREST year—somewhat better than the 0.4 percent drop experienced in the preceding 12-month period. Traffic counts at this meal period rose 0.3 percent in the fall quarter and 5.4 percent in the winter quarter but fell 2.8 percent and 1.5 percent in the spring and summer periods.

Promotion usage continues at high level . . .

- Restaurant operators continued to use promotions as a means of increasing customer counts. In the most recent year, 10.8 percent of the meal occasions involved a promotion, up from 9.2 percent of occasions in 1981.
- Promotions were used heavily in the winter and spring quarters, accounting for 12.5 percent and 11.6 percent of occasions. In comparison, promotions accounted for 9.3 percent of meal occasions in the fall quarter and 10.0 percent in the June-July-August period.
- Fast food, family and atmosphere/specialty restaurants used promotions more than did other restaurants during the CREST year ending August, 1982. Promotions were used on 14.6 percent of meal occasions at fast food restaurants, 10.4 percent of occasions at family restaurants and 10.1 percent of occasions at atmosphere/specialty restaurants.

Meeting Report

NRA's Market Research Group discusses market research techniques

Members of the National Restaurant Association's Market Research Group* met in San Francisco last fall to discuss the application of various market research techniques to the restaurant of the future. Areas covered included advertising, site selection and restaurant design.

**NRA's Market Research Group is a special group of NRA members who are interested in exchanging information on research techniques and learning about new methodologies.*

The next Market Research Group meeting will be held March 23-25, 1983 in Scottsdale, AZ. For more information, please contact Bette B. Hoyt at NRA's Washington office, 311 First St., N.W., Washington, DC 20001.

Qualitative versus quantitative research. . .

Two research techniques that can be used in the foodservice industry are qualitative and quantitative research. Richard Matheson of Matheson and Matheson discussed qualitative research, a technique used to discover what knowledge, attitudes or usage could exist in the marketplace. "Qualitative research is a means to an end and should not be used as an end itself," Matheson cautioned. The most commonly used qualitative research technique is the focus group.

In the focus group individuals are selected and asked to express their opinions on the topic that is being explored; for example, new restaurant concepts or menu items. Matheson described how one restaurant used this technique to conduct exit interviews to determine the appeal of the restaurant.

Customers were asked about their

- attitude toward food
- the type of restaurants they visited in the past two months
- their reaction to the restaurant just visited
- their intent to revisit the restaurant
- how they learned about the restaurant and
- demographic characteristics, such as age and income level.

Analysis of the interviews revealed that the restaurant had a wide appeal, attracting a large segment of the population.

Michael Marx of Market Facts, on the other hand, discussed quantitative research—a technique used to make recommendations based on the *amount* (not kind) of knowledge, attitudes or usage that exist in the marketplace. Marx discussed three quantitative research techniques—segmentation, shortfall analysis and discriminate analysis. Here is a brief description of each technique:

- *Segmentation*: In this technique individuals are asked whether they agree or disagree with a series of statements. One example might be whether a restaurant should offer a children's menu. Responses are then used to segment or delineate the market.
- *Shortfall analysis*: In this technique consumers are asked to rate an actual restaurant visit, an ideal restaurant visit and the importance of various restaurant attributes. A shortfall rating is determined by the following formula: Actual rating − ideal rating × importance of attributes.
  The ideal shortfall rating is zero as the ratings for the actual restaurant visit and the ideal restaurant visit would be the same.
- *Discriminate analysis*: In this technique attributes are combined to determine which are the most important in restaurant selection. For example, a leisurely and unhurried atmosphere usually has a high correlation with an adult-oriented restaurant while self-service and letting children behave as they wish have a high correlation with a family type restaurant.

Richard Hare discusses accuracy of quantitative research. . .

Richard Hare of Bill Communications continued the discussion. He presented these seven basic guidelines that can be used to determine whether a particular quantitative study is accurate:

(1) The research method—whether it is a mail survey, a telephone interview or a face-to-face meeting—must be the proper one for the information required.
(2) The original sample must be carefully defined and accurately drawn.
(3) The completed interviews must accurately reflect the original sample. To ensure this, the survey completion rate should be at least 30 percent and demographic characteristics must be verified to determine whether the respondents are representative of the original sample.
(4) The responses must answer the questions you think you are asking. Are you asking for attitudes, beliefs, behavior or attributes?

(5) There must be sufficient completed interviews to allow you to be reasonably certain they accurately reflect the marketplace.
(6) The interviews must be processed correctly and intelligently.
(7) The conclusions in the analysis must be substantiated by the data in the study.

Robert Kimball discusses the VALS program and its applications. . .

Robert Kimball of SRI, Inc. discussed the VALS program—Values and Lifestyle Segments—and its applications. The VALS program segments consumers by their values and lifestyle characteristics. It classifies people in terms of three major motivations: needs driven, outer-directed and inner directed. The accompanying chart highlights the demographic and lifestyle characteristics of each of these VALS typologies.

People classified as *needs driven* respond primarily to biological needs. They focus on survival, safety and security. People in this group do not eat out often, but they may create an opportunity for foodservice operators.

Belongers, emulators and achievers comprise the *outer-directed* typology. People in this group react and base their behavior on what other people think rather than on what they think themselves.

In contrast, those typified as *inner-directed* are driven and motivated by their inner sense of self-worth. This group is concerned with what they think of themselves rather than what others think of them. Many of the people in both the outer-directed and inner-directed groups eat out often, but the type of establishments patronized differ so widely that no correlation can be made with either typology.

People classified as integrated in the VALS typology account for the smallest share of the adult population—two percent. They are a combination of both the inner-directed and outer-directed typologies and are characterized as mature, tolerant and self-assured.

The VALS program can be applied in a variety of ways, including market segmentation, advertising and promotion and product development. In advertising, the VALS program can help restaurant operators target their dollars to the market they want to attract: The imagery and message used in advertisements can be tailored to attract a target market. For example, all-you-can-eat specials can be formulated to appeal to people who are needs-driven or can be marketed to individuals who are belongers and emulators. A more sophisticated a la carte menu, on the other hand, would have more appeal to achievers and individuals characterized as inner-directed than members of the other typologies.

Restaurant occasion segmentation. . .

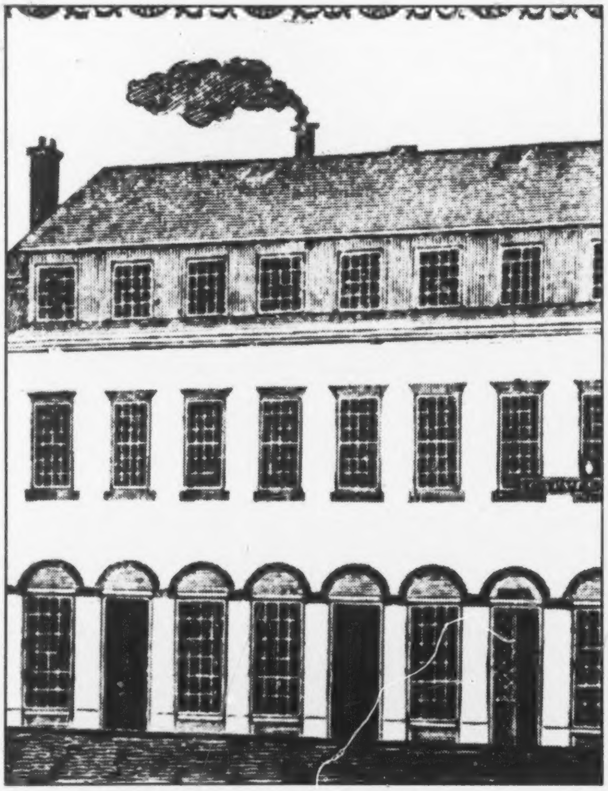
Christiaan de Brauw of Creative Research discussed the occasion segmentation approach to market research. This technique is based on the premise that a restaurant patron chooses different restaurants depending on differing sets of needs and circumstances. For example, consumers look for a different experience when they want a quick bite to eat versus when they want a night out, and these different needs will determine different expectations. Specific restaurant characteristics, which can be identified, fit these varying needs and situations.

Restaurant occasion segmentation can tell operators what percent of their total sales is due to convenience, family get-togethers, special occasions or evenings out. It can also provide them with strategic information such as the type of occasion that accounts for the largest proportion of sales, what other restaurants they compete with for these occasions as well as whether they should try to attract patrons who eat out for reasons that differ from those of most of their regular customers.

Site selection and restaurant design. . .

Members of NRA's Market Research Group heard from two speakers on the importance of site selection and restaurant design as aids in market research.

C. Robert Coutler of MPSI presented information on site selection. Many restaurateurs use the "seat of the pants" method when selecting a new site for a restaurant, he said, but this is a mistake since site selection has now developed into a science.



There are several types of computer models which operators can use in site selection. These include *the analog model*, which analyzes similarities and differences of new and existing sites, and *the gravity model* which holds that retail centers tend to attract trade according to their size. Those that are large and near a customer base will most likely be successful.

Donald Wudkte of Wudkte, Watson and Engstrom shared insights on how architectural ideas and restaurant design can be beneficial in market research. According to Wudkte, there is a definite relationship between restaurant image and design and the profitability and growth of an operation. ❑

—Rachel Zachary

(SECRETS) Of Long Term Success

From NRA's Oldest Members

As the new year comes closer, most of us look toward the future. However, some of NRA's oldest members continue to keep at least one eye on the past. Three of these "old-timers"—all NRA members since the 1930s—talked to NRA NEWS *about their restaurants and the qualities they believe contribute to their ongoing success.*

The Melrose Diner—"more than just a restaurant". . .

The Melrose Diner in Philadelphia, PA, is much more than "just a restaurant" to owner Richard Kubach, which could be one of the reasons why it has become so successful. More than 90 percent of the business is repeat business. "A diner defines itself," Kubach noted. "It spells out an architectural design, the type of service you will receive, the price levels of the entrees on the menu.

Opened in 1935, the Melrose Diner's 24-hour business continues to boom. One of the reasons people visit, Kubach maintains, is the variety of items on the menu—all available at any time of the day. "If you want a dinner item at 9:00 a.m., then you'll have a dinner item at 9:00 a.m.," he says. The other reason is Kubach's commitment to maintain superior quality. We make our own mayonnaise and still chop our own meat," he explains. "I have eight bakers working here, making all of our pies, cakes and Danish. We do everything as well as we know how.

Kubach's loyal staff makes this commitment to quality possible. "I have 130 employees working for me at the diner, and more than 80 of the workers have been with us for over 16 years.

Phil Johnson's—"a family place". . .

Phil Johnson's in Northbrook, IL, had humble origins. In 1928 Phil's grandfather bought a small fish house and converted it into a little roadside stop serving chicken and beef sandwiches. Each day the chicken was roasted on a spit over coals in the back of the restaurant.

Today, chicken is still roasted and basted in back of the restaurant except that the coal is now gas, and the restaurant has grown from being a roadside stand to a full-service restaurant. The basic approach to Phil Johnson's has not been lost after passing hands through three generations. Every entree is still made in-house—including soups and gravies. "We never cut corners or pay attention to what an item will cost us to make a dish. The quality of the food served is the most important thing," Phil notes.

This attention to quality has definitely paid off. "Generation after generation of the same family will come back to our place. The grandchildren of the people who knew my grandfather still are here and their children will visit with their children," Phil says.

Lowell Inn—"fine foods, furnishings and traditions". . .

The Lowell Inn, located in the beautiful St. Croix River valley in Stillwater, MN, was created in 1930 by two entertainers, Nelle and Arthur Palmer. They wanted to establish the ideal inn, and their dream started a long quest to collect antiques, fine linens, furniture and foods from all over the world. Three generations of Palmers have kept this commitment to excellence.

Each of the inn's three dining rooms or restaurants has a distinctive flair. The original room, *The George Washington Room*, is furnished in colonial Williamsburg tradition, including handwoven Irish linen, authentic Williamsburg ladderback chairs and even a Dresden china collection. *The Garden Room* has a spectacular indoor trout pool where diners can select their own fresh fish. The third and most recent addition to the inn is *The Matterhorn Room*. It is a showcase for the art of Swiss woodworking—inspired by the Palmers' Swiss heritage.

Like the furnishings, the foods served at the inn are of the finest quality and come from all over the world. For example, coffee is imported from a special Swiss coffeemaker, honey from Colorado, pork from a farmer in Michigan. In fact, noted Palmer, "I have over 2,000 suppliers. Most people would consider that really ridiculous for a 20-room inn."

The two original restaurants feature such renowned specialties as sweet and sour pancakes or the more exotic sweetbreads on French toast. The Matterhorn Room on the other hand, features a menu that has been unchanged for 22 years: escargot to Grapes Florentine or Devonshire. There is a four-course wine service featuring Swiss wines. "We were going to change the menu after the first summer," explains Palmer, "but people didn't want it changed. So it has become a tradition."

—*Kathy Groiss*

HALF BAKED

Ice cream—still in style

Move over Gucci, Halston, Adolpho. Here comes divine decadence and mango pie.

Fashion shows have long been a way to bring the latest clothing styles to the public's attention. But clothes are not the only product that can be promoted by a fashion show, as demonstrated by the International Association of Ice Cream Manufacturers (IAICM) Ice Cream Fashion Show at the Washington Hilton on Nov. 17, 1982.

The fashion show coincided with the announcement of a book dedicated entirely to ice cream—*The Very Best Ice Cream and Where to Find It*—co-authored by Carol Robbins and Herb Wolff.

After hearing from the authors on the criteria for choosing the 203 flavors from 42 states and three countries, 12 of the featured selections were "modeled."

The selections were introduced and then models in costume walked down a runway, carrying or pushing the ice cream creations. The costumes ranged from a Hawaiian dancer carrying a macadamian nut ice cream pie to an angel rolling a volcano-shaped concoction called divine decadence.

After the show, the guests were invited to sample the ice cream—a practice that will never go out of style.

—NRA NEWS

Students are big eaters

If student appetites at Western Michigan University (WMU) and Dartmouth College are any indication of what the future has in store for restaurants, restaurateurs may be in for a business boom. It seems these students are big eaters.

James Dean, foodservice director at WMU, allows students unlimited visits to the cafeteria during the day. A large menu and unlimited portions are big selling points in WMU's food operation.

Susan Martz

In one year, 5,800 students consumed

- 100,000 gallons of milk
- 133,500 pounds of french fries
- 15,000 pounds of tuna fish and
- 42,640 pounds of hamburger patties.

Students at Dartmouth College are also fans of food served in a big way. Two hundred students consumed a special dinner that ended with an eight-foot long banana split bar. Other items included a four-foot long codfish, five-foot long loaves of bread and 150-pound blocks of cheese.

Get ready, restaurateurs, graduation is sooner than you think!

—National Association of College University Food Services

Chefs for a night

A regular guest at a Washington, DC, cafe complained that the food was getting boring and offered to donate her talents to the kitchen. She was only kidding but the cafe owner, Arlene Morris, decided to take her up on it. "It turned out to be a wonderful meal," Morris said. "We even added some of the recipes to our regular menu."

Since that first "guest chef" night, many individuals who are courageous enough to try, have tested their culinary skills at the Kalorama Cafe—where the patrons demand good food at low prices.

The program, offered each Wednesday, has been solidly booked. Each guest chef must meet with Morris beforehand and audition for the role.

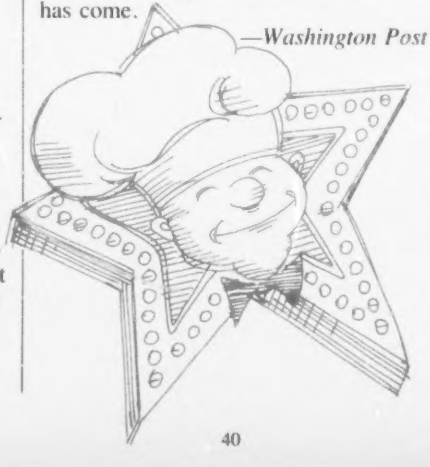
"Once they're back in the kitchen, all dreams and aspirations about opening their own restaurant suddenly meet with reality," said Morris. "The pace is fast and crazy. The work is hard and the kitchen is hot and steamy," she explained.

Morris says that some guest chefs leave the restaurant in tears, but for the majority cooking in a restaurant is an experience they may never have again.

"There is a growing interest for this type of thing in the community," she said. "Customers line up at the door. It's a fun night. Everyone has a good time. And the best part is that they want to know who the chef will be next week."

Other restaurants should take note—guest chefs may be an idea whose time has come.

—Washington Post



NRA SEMINAR SCHEDULE

Off-Premise Catering

2/14-15	San Francisco, CA
3/8-9	Austin, TX
3/28-29	Des Moines, IA

Computers

2/14	Atlanta, GA
3/7	Dallas, TX
3/21	Kansas City, MO

Controlling Beverage Costs

1/19	Sacramento, CA
2/1	Corpus Christi, TX
2/3	Lubbock, TX
2/10	Los Angeles, CA
2/17	Oklahoma City, OK
3/3	San Jose, CA
3/7	Birmingham, AL
3/10	Jackson, MS

Controlling Food Costs

2/28	Davenport, IA
3/21	Milwaukee, WI
3/23	Omaha, NE

Controlling Labor Costs

3/14	Washington, DC
3/16	Portland, ME
3/31	Pittsburgh, PA

Dining Room Management

1/17	Baton Rouge, LA
1/20	Albuquerque, NM
2/2	Bakersfield, CA
2/16	Baltimore, MD
2/28	Cincinnati, OH
3/1	Springfield, IL
3/28	Minneapolis, MN

Restaurant Design and Facilities Planning

2/28-3/1	Las Vegas, NV

Eyeing, Buying, Selling Fish and Seafood

1/24	Mobile, AL
1/26	Shreveport, LA
3/28	Philadelphia, PA
3/30	Cleveland, OH

Preparing a Successful Employee Handbook

2/23-24	Dallas, TX

Improving Food Production Methods

1/25	Charlotte, NC
1/27	Savannah, GA

Hiring Hourly Employees

3/21	New York, NY
3/22	Philadelphia, PA

Kitchen Management

2/3	Bakersfield, CA
2/15	Baltimore, MD
2/22	Charleston, WV
3/15	Atlanta, GA
3/22	Springfield, MO
3/24	Memphis, TN
3/30	Lansing, MI

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

2/2-3	Washington, DC
2/23-24	Orlando, FL

Planning and Implementing Restaurant Marketing Strategy

3/30-31	Indianapolis, IN

Practical Meat Workshop

2/22	Washington, DC
2/24	Pittsburgh, PA

Creative Merchandising Techniques

1/27	Dallas, TX
2/10	Richmond, VA
3/16	Hartford, CT
3/21	Charlotte, NC

Operational Analysis

1/17-18	San Jose, CA
3/7-8	San Bernardino, CA

Basic Supervision

2/8	Knoxville, TN
2/22	Little Rock, AR
3/8	Atlanta, GA
3/22	Wichita, KS

Wine: Sales and Merchandising

1/17	New York, NY
3/1	Washington, DC

National Conferences

2/6-9	National Conference on Alcoholic Beverage Service Dallas, TX

Three NRA study groups have established the locations and dates for their first meetings of 1983:

Multi-unit architects, engineers and construction officers (MAECO)
Chicago/Marriott Hotel, Chicago, IL
May 18, 19, 20, 1983

Quality Assurance Officers
Crown Center Hotel, Kansas City, KS
April 21, 22, 23, 1983

Safety Officers
St. Louis, MO
March, 1983

For further information, call Andy Poledor, NRA Chicago office, (312) 787-2525, Ext. 214 or 264.

NRA
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National Restaurant Association ☐ Vol. 3 ☐ No. 2 ☐ February 1983

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NRA NEWS
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Hospitality

An American Tradition Revived

Hospitality

Moseley The Galt House

Ours is a business of human interaction. Although computers and other technical innovations may increase our efficiency, we can't allow our operations to become impersonal.

Our customers want more than just good food. NRA surveys document an increased demand for "friendly service"—what we in the industry call hospitality.

Hospitality involves caring. Good service isn't enough. We have to make our guests feel that we are concerned about their comfort and satisfaction while they are in our establishment.

A hospitable environment is created during every exchange between staff and guest—greeting, taking the order, delivering the food, handling questions and comments and presenting the bill. Whatever the nature of your operation—table service, fast food or cafeteria—those moments of interaction are critical. If your staff fails to show friendliness, interest and concern, it's all over.

Last year, the NRA board voted to create hospitality seminars. These two-day, train-the-trainer programs will be previewed at the NRA Show in May, and then offered in a location near you, starting in July. (See page 6.)

There will be different seminars for tableservice, fast food and cafeteria operations. But all will involve sound, carefully-researched principles, good back-up materials and certification for attendees.

You will receive more information about this program. In the meantime, keep hospitality in mind. As they say, it's a cold world. There ought to be a little warmth in our eating places.

Michael Grisanti
Chairman, Project Hospitality
Advisory Committee

NRA NEWS

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Cover Story

Hospitality is an American tradition, one that dates back to the Carib Indians who hung pineapples at the entrances to their huts as a promise of welcome and refreshment. The colonists borrowed the pineapple idea and used it to represent hospitality.

6 Today hospitality counts more than ever in the foodservice business. Yet a hospitable environment is not easy to create. That is why the NRA Board of Directors has voted to develop hospitality training seminars.

10 Hospitality means sensitivity to the needs of your patrons. What customers **look for** is quality—and service with a smile. *(Foodservice Trends feature).*

26 What customers **expect** is cleanliness. For pointers on how to give sanitation the attention it deserves, read "Sparkle! It's top priority."

Related departments:

2 First-time patrons listen to friends.

9 With just a little extra effort you can make the handicapped feel welcome in your restaurant. *(The Human Side)*

25 A reminder: Management sets the hospitality pace. *(Education)*

Specials

Design 13 Design is more than a look. It is a language that communicates whether you want your customers to linger or eat quickly, to dine intimately or in groups. For an overview of some of the different elements that contribute to the not-so-obvious impressions your customers have of your restaurant, read "Design: a language you need to speak."

Index 17 This first index of articles in the NRA NEWS—encompassing the first three issues, published in 1981, and the 11 issues of 1982—is designed to increase the usefulness of the NRA NEWS as a reference tool. Notice that although there is a separate section for NRA activities and services, NRA programs are mentioned throughout. Don't miss the separate index for Foodservice Trends.

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Technical Services 31 Don't let winter storms catch you with your guard down.

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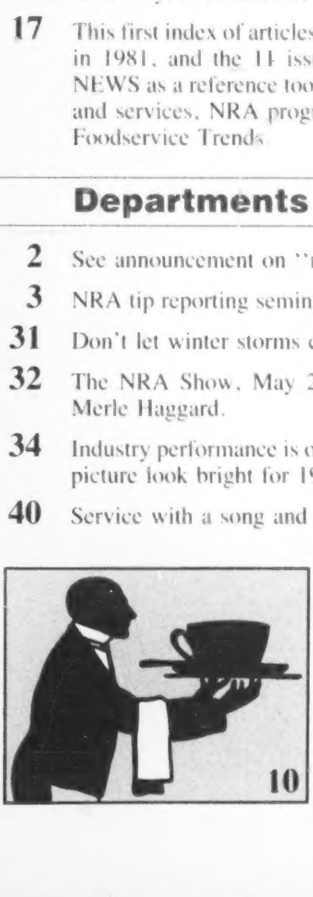
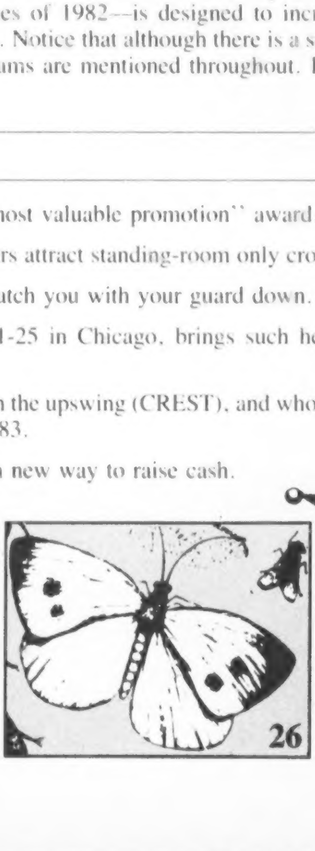
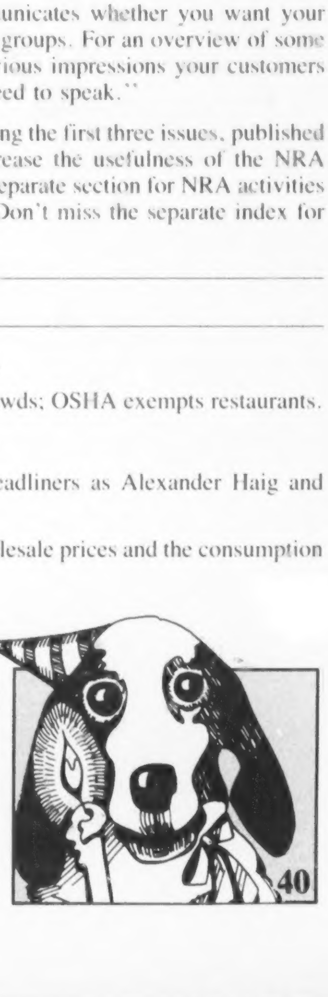
Foodservice Trends 34 Industry performance is on the upswing (CREST), and wholesale prices and the consumption picture look bright for 1983.

Half Baked 40 Service with a song and a new way to raise cash.

Cover photograph:
Mark Borchelt
Cup: Courtesy of ABCO Restaurant Supply Co., Alexandria, VA
Apron: Courtesy of M.S. Ginn Co., Washington, DC







SHORT ORDER

Ambiance counts

Ambiance plays an important part in a customer's dining experience, according to a report in *Briefing Newsletter*. The atmosphere should be relaxed, not stiff or snobbish, says André Soltner, chef/owner of Lutece Restaurant in New York City.

To make that possible, other restaurateurs suggest paying close attention to such elements as lighting, furniture size and noise level. One psychologist noted that to get the most out of meals, they should be eaten only in a place designed for the consumption of food. "The negative effects as the body battles against influences of the environment may be subtle enough to go unnoticed at the time, but there is constriction of muscles, increased adrenalin and heartbeat. Nothing could be less compatible with good digestion," he said.

Other important factors that add to customer comfort include a warm festive atmosphere and the feeling of freshness, crispness and cleanliness.

(For more information on how design elements can affect customer behavior, see the story in this issue, "Design: a language you need to speak" on page 13.)

First-time patrons listen to friends

How do you get consumers to try your restaurant? As the following table shows, most first-time patrons try a restaurant because of a recommendation from a friend.

Recommendation from a friend	75.2%
Suggestion of a family member	38.5
Reputation of the restaurant	28.6
Newspaper ad	17.4
Price discount coupons	13.5
Restaurant review in newspaper	11.7
Television ad	9.1
Promotion	6.4
Radio ad	5.9
Restaurant guide	4.6
Restaurant review on radio	4.1
Dining club	1.7

Source: *Restaurant and Institutions and National Family Opinion Survey*

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All awards will be presented at a special MVP Awards Ceremony during the 64th Annual NRA Restaurant, Hotel/Motel Show in Chicago in May.

Enter your best foodservice promotions by March 25.

NRA NATIONAL RESTAURANT ASSOCIATION

WASHINGTON REPORT

Summary of
TIP REPORTING REGULATIONS
for foodservice employers

Coverage

› The new tip reporting requirements apply to all food or beverage establishments where tipping is customary and which have more than 10 employees (tipped and non-tipped) on a typical business day. Generally, this means 10 full-time employees, or their equivalent. The regulations define this requirement as "80 employee hours" per day, to take part-timers into account.

› The regulations provide a formula for establishments with large seasonal variations in employment hours; this involves calculating the average employee hours on typical days in the establishment's busiest and slowest months, then averaging those two figures to see if they meet the 80-employee-hour threshold.

› All establishments of the same employer are combined for purposes of determining coverage.

Establishments

› Reporting is on an establishment basis, and at minimum, each physically-separate food and beverage location constitutes an establishment. But locations may be broken down even further. For example, separate units within the same building (such as a coffee shop and dining room, or a bar and a snack operation) may be treated as separate establishments for tip reporting and allocation purposes if the customers of the different foodservice operations sit separately and if gross receipts for each operation are recorded separately. Even operations occupying the same space at different times (such as a lunch-hour cafeteria which becomes an evening dining room) may be treated as separate establishments.

› In short, the IRS will at least consider each restaurant building as an establishment, but an operator may subdivide that building into two or more establishments by segregating customers and gross receipts.

Mark Borchelt

Reporting requirements

› For 1983 and subsequent years, each establishment must file an IRS Form 8027 (new form) by the end of February of the following year. Required information includes the establishment's annual gross receipts, charge receipts, aggregate charge tips and aggregate tips reported by employees.

› Excluded from the calculation of receipts are sales taxes, carryout business (a good faith estimate of carryout trade as a percentage of sales is sufficient if such sales are not recorded separately) and all business on which a mandatory service charge of 10 percent or more is assessed by the operator.

› The report must also include the employer's name, address, employer identification number, as well as a category number (the regulations set up four different categories of food or beverage establishments) and an establishment identification number.

› For the 1983 return only, an employer is required to record separately the above figures for the first quarter and for the remaining nine months of the year. In addition, the establishment return must include for the first quarter the name, social security number, wages paid to and tips reported by each tipped employee. *There is no allocation for the first quarter.*

› For subsequent quarters, however, the return must include names and Social Security numbers of employees to whom a tip allocation is made and the amount allocated to each employee. This allocated amount shall also be reported in a special box on the employee's W-2 form.

Allocation in general

› No tip allocation is necessary if the establishment's employees, as a group, are reporting total tips equal to or in excess of eight percent of the establishment's gross receipts, though IRS may still assess employees for more taxes if the average tip in the establishment is higher than eight percent.

› If reported tips do not equal eight percent, the employer must allocate extra tip income for his/her employees. This is to be done on a payroll period or on a monthly basis, and employers will want to require employee tip reports on the same basis used for allocation.

› Even under current law, the employer must receive tip reports at least once a month, and may require these reports on a more frequent basis.

› An employer may allocate to each employee on the basis of the percentage of the establishment's gross sales attributed to the employee, or the hours worked by the employee as a percentage of total employee hours for the period.

Allocation by good-faith agreement

› The employer may develop an allocation agreement with his/her employees, or may use the seven-step IRS formula outlined in the regulations. An employee agreement: (1) must have the consent of two-thirds of the employees in each tipped occupational category, (2) may be revoked by 50 percent of tipped employees as a group at any time, (3) must be in writing, and (4) must reflect the actual tip income distribution among employees.

Allocation by IRS formula

› The IRS formula allows the employer to subtract total tips reported by all indirectly-tipped employees from eight percent of gross receipts and allocate only among directly-tipped employees. Further steps involve: (1) taking each employee's percentage share of sales or hours and multiplying by adjusted gross receipts, (2) comparing this figure to the employee's tip reports, and (3) calculating total reporting shortfall among all employees and each employee's percentage of that shortfall to reach an allocation figure for the employee.

› The formula allows over-reporting by some employees to make up for the under-reporting of others. The employer is not liable to the employee for good-faith allocations that may be incorrect and is not required to withhold payroll taxes on the allocated amount.

Appeals

› IRS District Directors may reduce the allocation threshold from eight percent to as low as five percent upon written application by the employer, setting forth sufficient information (such as charge tip rates, type of establishment, menu prices, location and amount of self service) to support the employer's argument that the average tip in the establishment is below eight percent.

› These requests should be filed as soon as possible and definitely before April 1, 1983, since percentage reductions cannot apply to payroll periods before the application is filed.

Copies of regulations

› Copies of IRS tip reporting regulations are available from the National Restaurant Association, Legal Department, 311 First St., N.W., Washington, DC 20001.

Editors note:

NRA is asking members to document the additional time spent and costs incurred as a result of the new requirements. NRA needs this documentation to build a case for seeking to have the tip reporting provision amended.

Standing room crowds for NRA tip reporting seminars

NRA has taken the tip reporting story on the road to bring NRA members the most complete information on the IRS regulations. In cooperation with the state restaurant associations, NRA attorneys and legislative staff have held (or plan to hold) more than 75 half-day seminars in 36 states. It has been standing room only at many of these seminars, and in some states additional seminars have been requested to handle those that were turned away the first time.

The new tip reporting law went into effect the first of last month. It affects nearly every restaurant with tipped employees. "The new regulations are confusing, to say the least, and we are making every effort possible to give our members the most up-to-date information as it becomes available," NRA President John Dankos explained. "Although we are discussing tip rules in our publications, we felt we should also hold seminars to provide an in-depth description of the requirements and give restaurateurs a chance to talk to tax experts face to face."

The seminars cover such areas as exemption from the law, recordkeeping and filing requirements, allocation and appeals.

For information about the seminars, contact NRA's government relations department or your state restaurant association.

Sen. Pressler may reintroduce bill to repeal tip reporting

During the final days of the 97th Congress, Sen Larry Pressler (R-SD), introduced a bill to repeal the tip reporting law, calling it "particularly punitive to a group of employees who are not making a great deal of money" and "a burden on small restaurants."

Although Pressler's bill was not taken up during the special post-election session, an aide to the senator told *NRA NEWS* Pressler may re-introduce the bill this year. The chances of the Senate taking up the bill are very slim, however, because the bill would be referred to the Finance Committee, chaired by Sen. Bob Dole (R-KS). Dole was the key supporter of the tip requirements in the tax bill.

OSHA exempts restaurants

The Occupational Safety and Health Administration (OSHA) has cut its recordkeeping requirements for restaurants. Effective January 1, 1983, food and beverage establishments no longer must "maintain, retain and provide access to the log and summary of occupational injuries and illnesses; maintain, retain and make available for inspection the supplementary record of occupational injuries and illnesses or post the annual summary of occupational injuries and illnesses.

However, OSHA inspections will continue in response to employee complaints and as part of OSHA's investigations of fatalities, multiple hospitalization incidents and "imminent danger" situations.

Hotels, lodging places and amusement and recreation services are not covered by the new exemption because they had an average lost workday case injury rate of above 75 percent—too high, OSHA felt, to be exempted.

Restaurants and other businesses exempted from the OSHA requirements must continue to comply with the reporting requirements of the Bureau of Labor Statistics Survey and display OSHA posters on bulletin boards.

Recordkeeping requirements imposed by state governments will also remain in effect. Currently 24 states have approved plans, but these states may follow the federal lead and make corresponding changes in their plans.

NRA endorses changes in child labor rules

NRA has submitted comments to the Department of Labor (DOL), reiterating its support of changes in the child labor rules. Reflecting many of the changes NRA has advocated for years, the proposal—if adopted—would be the first major revision of Regulation No. 3 since 1938.

The proposal would allow 14 and 15-year-olds to work up to four hours a day (up to 24 hours a week) during a school week instead of the current three-hour, 18-hour limit. A sliding scale of up to 36 hours per week would be allowed when school is not in session for an entire week. In addition, teens would be allowed to work until 9 p.m. on a school day and until 10 p.m. on an evening preceding a non-school day.

The proposal also lifts restrictions on teens cooking in foodservice establishments; but cooking over open flames, handling hot grease (140°F.) and cooking with containers under pressure without a safety valve would not be permitted.

Since its appearance in the July 16, 1982, *Federal Register*, the proposal has met with opposition from labor and education groups and some congressional Democrats. Debate on the proposed rule changes has pitted employers, who feel the rules are outdated and preclude teens from valuable work experience, against labor unions and parent-teacher groups. The opponents maintain the proposed changes could interfere with school work, could lead to unsafe working conditions and could encourage employers to replace adult workers with teenagers because they could pay teens a lower wage.

NRA answered some of these objections in its comments to Wage and Hour Administrator William Otter.

"The proposed changes in Regulation No. 3 are a small but significant step in the direction of restoring some of the lost opportunities for those who need job experience and those who need income to continue their education," NRA said. "The expansion of allowable workplaces and hours is not the equivalent of returning children to dangerous jobs in coal mines or textile mills. Operating a cash register or toaster is not inherently hazardous, nor is the modern restaurant kitchen more dangerous than the one at home in which most teenagers spend their time. Those aspects of cooking and baking employment which might be considered hazardous are still prohibited, and, indeed, the restrictions on cooking over an open flame are more strict than under the current regulation.

"The extra hour per day is not an infringement upon education. These teenagers would still have ample time for school attendance and after-school homework," NRA continued. "Many persons in this age group want to work in order to save money for school tuition, and those who would prevent them from working would restrict rather than enhance these children's educational opoportunities."

NRA added that many foodservice employers are discouraged from hiring teens by current regulations. "The result is that even in these times of high unemployment, many entry-level jobs in foodservice go unfilled. Younger teenagers obviously want these jobs and are just as obviously not displacing adults or other teenagers when they obtain such employment."

The comment period on the proposed rule changes closed on Jan. 13. Because of the controversy surrounding these rules, there is a possibility that DOL may revise its proposal. Last year, U.S. Rep. George Miller (D-CA), an opponent of the proposed changes and chairman of the House Labor Subcommittee on Labor Standards, introduced a resolution in Congress to require DOL to withdraw the proposal. That resolution never went anywhere, but Miller may try the same tactic again this year.

Immigration bill dies

The Immigration Reform and Control Act of 1982—opposed by NRA and other business groups because it contained sanctions against employers hiring illegal aliens and requirements that employers check employee identification cards—died in the final days of the 97th Congress.

The legislation represented the first major overhaul of the nation's immigration and naturalization laws in 30 years. The measure was the result of 18 months of hearings based on the recommendations of a Carter-appointed commission to study immigration and refugee policy and a Reagan-appointed review committee. The act was designed to control illegal immigration into the U.S., revise legal immigration preferences and quotas and deal with the estimated 3.5 million to 6 million illegal aliens already in the country.

Employer sanctions in the bill caused the most concern for employers and minority groups. The Senate-passed version (S. 2222) would have made it unlawful for an employer to knowingly hire, refer or recruit an illegal alien. Employers would have been required to complete and store a federal form stating they had verified the eligibility of each job applicant by examining documents, such as passports, drivers' licenses or immigration cards.

Failure to comply with this requirement or failure to maintain adequate records would have resulted in civil and criminal penalties. H.R. 7357, the House version of S. 2222, contained similar employer sanctions.

During hearings on the legislation, NRA argued that the verification procedures and sanctions would increase paperwork burdens on employers and, in effect, shift the burden of enforcing immigration laws from the government to the employer. NRA sought to have this section of the bill deleted when it was taken up by the Senate in August.

Despite the apparent lack of enthusiasm for the bill by the House leadership, U.S. Rep. Romano Mazzoli (D-KY), sponsor of H.R. 7357, has said he intends to introduce the bill again this year. Mazzoli said he thinks the legislation has a fair chance of passing in the 98th Congress, but Rep. Edward Roybal (D-CA), chairman of the Hispanic caucus which was instrumental in killing the bill, said employer sanctions cannot be part of any new bill.

Picture these scenes:

- A couple stands by the entrance of a restaurant—ungreeted—for several minutes. Finally, a hostess beckons. She leads them to a table, slaps down a few menus, and before they are halfway across the room makes her way back to the door.
- A guest reaches the cafeteria counter. How do I order, he wonders. Where is the silver? How do I pay? With averted eyes, a server calls out, "Next."
- A guest leaves the counter in a fast food outlet with a loaded tray. She crosses into the seating area. Full house. Is there another room, she wonders. Just then, two buspersons pass. They are engaged in conversation and ignore her.

Could such incidents happen in your place? They occur every day in every type of food outlet, and they often mean lost customers.

Recently, NRA surveyed customers about what qualities make them choose one restaurant over another. They consistently listed "quality food" first. They just as consistently mentioned "*friendly* service" second. "Convenience" and "*fast* service" appeared further down the list—even when respondents were asked specifically about fast food outlets.

Hospitality counts. It counts almost as much as the variety and quality of food offerings.

NRA to sponsor hospitality training seminars. . .

But a hospitable environment is hard to create. It must be created every time staff and guests interact, and that requires a high level of understanding and sensitivity on the part of the staff.

That is why the NRA Board of Directors voted to develop hospitality training seminars that supply management with a training program to be utilized in the individual establishment.

The seminar, which will be previewed at the NRA Show in May, will certify managers who will in turn train employees. "You have to have a consistent set of performance standards as well as sensitivity to guest needs to create a hospitable environment," said NRA President John Dankos. "We will train the trainers to set those standards and foster that sensitivity."

During an all-day session in Atlanta, GA, last month, an NRA advisory committee, chaired by Director Michael Grisanti, met with representatives of the Sandy Corporation, an educational consulting firm that is developing the hospitality seminar for the association. Together they reviewed the research which led to a list of standards to be discussed in the seminar.

For example, what is the maximum time for seating a customer? How should a guest be greeted in a cafeteria line or at a fast food counter? How do you handle requests for information or complaints?

Each establishment to create its own guidelines. . .

"We are not trying to set these standards," Dankos explained. "We are isolating the critical areas. The seminar will teach each establishment to create appropriate

ality: An American Tradition Revived

Mark Borchelt

guidelines for itself. Then, we will teach employees to live up to these clearly defined standards.

"Meeting these standards will require sensitivity to the customer's presence," Dankos continued. "Servers will have to know how to read facial expressions, understand body language, comprehend the real meaning of a question or comment.

"So the seminar will teach management to select employees who have the potential to relate well to people and then help these employees increase those skills," Dankos said.

After participating in the two-day session, owners and managers will be certified to train employees in their own establishment. They will be provided with a training manual as well as handbooks and slide shows to use with employees.

The hospitality seminar will be showcased at the 1983 NRA Show and then offered in accessible cities across the country starting next summer.

There will be three different versions of the seminar—one for tableservice restaurants, one for fast food outlets and one for cafeterias. All three will be offered throughout 1984. ☐

(From left) NRA board members Michael Grisanti, Joe Lee and John Dankos discuss the association's hospitality seminars which will premier at the NRA Show.

THE BOARD ROOM

NRA President John Dankos chats with Julia Child, featured speaker at the California Wine Festival in December. Dankos was inducted into the Knights of the Vine during the meeting in Monterey, CA.

Cornell University dining room becomes Royal's Hearthside

Royal's Hearthside Restaurant from Rutland, VT, came to Cornell University last fall as part of the department of dining services' culinary adventure—"Cross Country Gourmet."

During the academic year, the Cross Country Gourmet series brings to Cornell, for one week each, the fine cuisine plus a bit of the atmosphere from four of the leading restaurants in the United States.

As a result, Cornell students don't write home about institutional macaroni and cheese or grilled cheese sandwiches. They write home about the beef Wellington they had from The Bakery in Chicago, the lobster from Anthony's Pier 4 in Boston or the Chateaubriand with bearnaise sauce from Royal's Hearthside.

And they don't eat these foods in the lunchroom setting. From Monday through Saturday a different Cornell dining unit each night "becomes" the visiting restaurant. Royal's Hearthside, for example, recreated the restaurant's atmosphere through table settings, traditional foodserver dress, lighting and style of service.

"We were thrilled and honored to be invited to participate in this program," said Ernie Royal, owner of the Hearthside and NRA director. "It's amazing how enthusiastic these people are. They possess the integrity and talent that goes along with what they're doing."

Update: Culinary Olympics

"The names of the winning chefs who will represent the U.S. at the 1984 Culinary Olympics will be revealed on February 25 at a press conference in New York City," NRA President John Dankos announced.

Dankos made this announcement following a meeting last month of the board of the U.S. Culinary Olympic Foundation, an organization established by NRA and the American Culinary Federation to sponsor the American Culinary Olympic team.

The international culinary competition, held every four years in Frankfurt, Germany, drew 55,000 visitors and 500 chefs from 23 nations in 1980. Culinarians from Australia, Romania, Korea, South Africa and most of Western Europe vied in hot and cold categories. In 1980, the U.S. team won 32 gold medals and two silver medals, outstripping chefs from France, Italy and Austria, well-known centers of international cuisine.

The chefs who will represent the U.S. in 1984 are being selected during three try outs. The third and final tryouts is being held in Chicago on February 12 through 14.

"We are hoping to get a lot of publicity for the team," Dankos said. "They are walking proof of the high quality of American cuisine."

The foundation is reviewing a fund-raising proposal which will involve the total NRA membership. "Raising the funds to get the team to Frankfurt affords all kinds of promotional opportunities within the individual establishment. Our customers ought to know about the team and share our pride in American cooking. They may also want to contribute to the fund-raising effort," Dankos said.

NRA board members Walter Conti, Conti Cross Keys Inn; John Dankos, Dankos Enterprises, Inc.; Thad A. Eure, Creative Dining Food Systems, Inc.; and Ernest Henry Royal, Royals Hearthside Restaurant represent the association on the Foundation board.

Presented to the press on February 25 will be four international team members and 12 regional contenders.

Some ways to serve the disabled

For the past few years, the mobility and visibility of handicapped men and women have increased dramatically. With the enactment of laws and ordinances for their benefit, the disabled are now, and will continue to be, a much larger share of your total customers. That is why you must be prepared to serve them with grace.

Many of your service people may not feel at ease with serving the disabled. To help them overcome their fears and misconceptions, NRA has put together these recommendations. They are designed not only to make the servers' job much easier but also to help make the disabled person's dining experience an enjoyable one.

The major barrier to serving the disabled is a misguided attitude. Staff training can eliminate negative feelings and develop awareness of the needs of the disabled. Suggest that your employees talk openly with the handicapped men and women who visit your restaurant. If they are honest with people who have special problems, the situation can be handled with greater efficiency. The most important step is to communicate an attitude of willingness to serve. Here are some other pointers to keep in mind.

- When serving those customers with impaired speech or hearing, have a pencil and paper on hand to allow them to express their intentions.
- When guests with visual impairments visit your restaurant, seat them in the best lit places and offer to read the menu.
- For your blind customers, consider preparing a braille menu. Braille menus are inexpensive to prepare, and the American Foundation for the Blind will work with restaurateurs in this matter. Some blind people are accompanied by Seeing Eye dogs. They are highly trained animals. Be sure employees are aware that laws require that these dogs be allowed into foodservice establishments.
- Seat people in wheelchairs in comfortable places. If the person in the wheelchair chooses to remain in the wheelchair, remove the restaurant seat to eliminate problems. Although it is important that the wheelchair does not obstruct aisle space between tables, do not try to place a disabled person in an out-of-the-way place. It upsets these individuals always to be seated at the rear of an establishment.
- For those patrons with cerebral palsy—a condition which affects muscle coordination—it is often helpful to cut the food before it is served and to bring extra straws with beverages. Because speech disturbances frequently go along with this condition, staff members, who are not aware of this problem, can mistakenly believe these people are intoxicated.

If your foodservice business is accessible to the disabled, place an appropriate decal in the window. These are free and available from the National Restaurant Association, Human Resources Department, 311 First Street, N.W., Washington, DC 20001 or call (202) 638-6100.

—Walter Ashcraft

Wine consumption is up—
But are your profits?

Wine

& The Bottom Line

Back by popular demand
A second edition

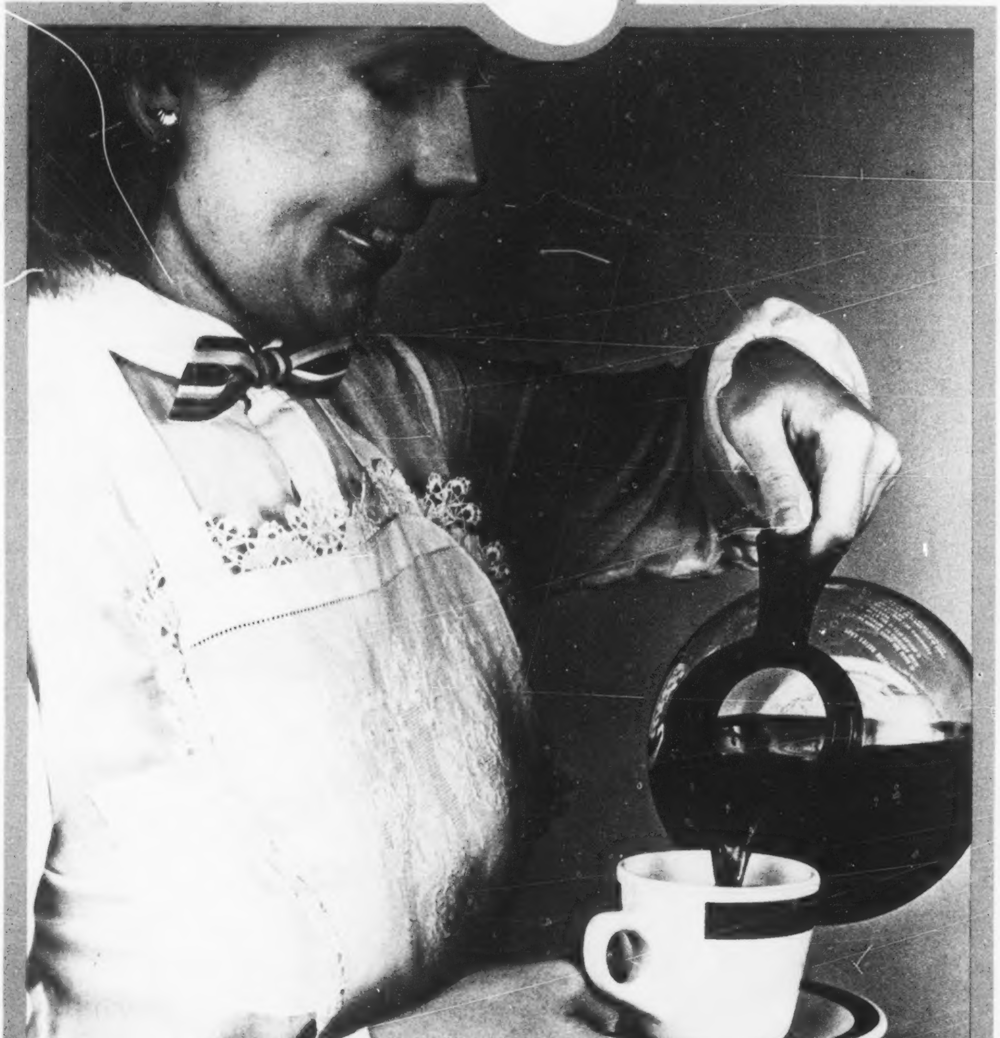
Americans are consuming more wine than ever before. *Wine & The Bottom Line* will help restauranteurs follow this trend to their advantage. It is a simple & comprehensive guide which will help build wine sales through merchandising, variety and selection.

Edmund Osterland's *Wine & The Bottom Line* fills a gap in wine publications in the foodservice industry. It's basic, it's readable—written not only for the wine connoisseur but also the average restaurateur. This book talks directly to restaurant managers, focusing on what they need to know to build their sales through:

— employee training
— customer education
— profitable merchandising
— selection
— storage and
— presentation and service guidelines.

Don't ignore your profit potential. Order this NRA publication today. Call (202) 638-6100 or toll-free (800) 424-5156 for more information.

Good Service means being greeted with a Smile



Mark Borchelt

Your guests want to be cared for. In fact, they expect it. According to this Foodservice Trends report, what your patrons want from your restaurant staff is a cheerful, attentive attitude—and service with a smile.

Consumers have very high expectations about the service they receive at restaurants. In a recent National Restaurant Association survey,* respondents were questioned about what they wanted from restaurant employees.

Ranking number one among the seven service-related items appearing on the survey was "restaurant employees who greet you with a smile." More than three-quarters of the respondents stated they expect or very much expect to be greeted with a smile when they enter a restaurant.

As the price of the meal increases, so does the level of consumer expectation. Forty-six percent of the people who had recently been to a fast food restaurant said they very much expect to be greeted with a smile, compared with 52.6 percent for family restaurant customers and an even higher 61.9 percent for atmosphere restaurant patrons.

Consumers also want to have some communication with the service personnel during the course of the meal. Forty-four percent of those interviewed reported they very much expect to be asked if they want anything else during the meal. This is especially true for moderate and upper price eating places. Nearly half of the family restaurant customers and six out of 10 of the upscale restaurant customers said they very much expect to be asked if they want anything else during the meal.

Also, patrons at these two types of restaurants expect restaurant employees to ask them if their meal is all right. Nearly 41 percent of patrons at family restaurants and 55 percent of upscale patrons reported they very much expect solicitous service.

Fast food patrons expect quickness. . .

Not unexpectedly, fast food patrons place a premium on being served quickly. They believe they should not have to wait for their food. Since a large proportion of the people interviewed said they go to a fast food place because of lack of time, it is only logical that they want quick service. Fifty-seven percent of the respondents who had been to a fast food place reported they very much expect the food to be delivered quickly versus 41.4 percent for all restaurant patrons and a considerably lower 29.7 percent for upscale restaurant customers.

Three out of 10 family and atmosphere restaurant patrons said they very much expect to be seated and served promptly. Customers at family eating establishments often eat there because of lack of time or because it is convenient. As a result, they want prompt service. Although upscale restaurant patrons do not want to be rushed through their meal, many do want to be seated promptly because it shows respect for their time—especially if they have made reservations.

Name tags not important to patrons. . .

According to the survey, most restaurant patrons do not expect restaurant employees to wear name tags. Only a third of those interviewed said they expect or very much expect the service staff to wear name tags. However, 40.8 percent said they do not expect waiters or waitresses to wear name tags, and 25.3 percent do not care one way or the other.

Customers want to feel at ease. . .

When people go out to eat, they want to feel comfortable and relaxed. Eighty-four percent of the individuals surveyed strongly agreed with the statement, "It is important for a restaurant to make its customers feel at ease," and 14.8 percent agreed. In addition, an analysis of the responses to this statement by type of restaurant visited (fast food, family or atmosphere) shows no differences—patrons at all establishments want to be made to feel comfortable.

This survey information also supports the idea that poor service by a restaurant staff person can result in a loss of business. Three-fourths of the individuals interviewed reported they strongly agreed with the statement, "A discourteous restaurant employee could keep me from returning to a restaurant." In addition, 16.2 percent said they agreed with this statement. On the other hand, only 7.5 percent indicated that they would return to a restaurant if a service person was rude to them. Again, analysis by restaurant type shows similar responses for all three types of eating establishments.

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* In August 1982, the National Restaurant Association commissioned the research firm Porter, Novelli and Associates to conduct a consumer attitude and behavior survey. The purpose of this survey was to determine consumer expectations about the food served, the service received and the atmosphere at the nation's restaurants. The results of this survey, only some of which have been reported here, are based on 1,000 completed interviews with persons 18 years old and older who had eaten out at least once in the two-week period prior to the survey.

Patrons want quality service at upscale restaurants. . .

Several of the statements on this NRA survey dealt specifically with atmosphere, or upper price, restaurants.

Upscale restaurant patrons definitely prefer to be greeted by a host or hostess when they enter a restaurant, with more than eight out of 10 strongly agreeing with this statement. These people usually go to this type of eating establishment to treat themselves or to celebrate a special event. As a result, they tend to expect more solicitous service.

Importance of consumer service expectations

Rank order	Service factor
1.	Restaurant employees who greet you with a smile
2.	Quickness of food delivery
3.	Restaurant employees who ask if you want anything else
4.	No wait to be seated or served
5.	Restaurant employees who ask if your meal was all right
6.	Restaurant employees who tell you when your order will be ready
7.	Restaurant employees who wear a name tag

Source: *Consumer Expectations with Regard to Dining Away from Home*, National Restaurant Association, 1983.

Nearly 90 percent of atmosphere restaurant customers would like the waiters and waitresses to be able to discuss the menu and how the food is prepared. Individuals dine considerably less frequently at atmosphere restaurants than at family or fast food places, and, therefore, they may have less knowledge about certain menu items.

Because people tend to eat at higher price restaurants on special occasions, it makes sense for them to want attention in order to make the dining experience a memorable one. Ninety-six percent of those surveyed strongly agreed or agreed with the statement, "I like to receive prompt attention to my needs at a fancy restaurant."

Quality service means satisfied customers. . .

If you are a restaurant operator or manager, remind your service personnel that they are in the hospitality business. This recent NRA survey reveals that consumers want good service at all types of restaurants and that a discourteous employee can create a loss of business.

In sum, be sure your staff

- greet customers with a smile
- seat and serve patrons promptly
- learn the menu—especially house specialties and how various items are prepared
- communicate with patrons—ask if everything is all right, is anything else needed—and
- make customers feel at ease.

How consumers feel about service at restaurants

Statement	Agree strongly	Agree	Neither agree nor disagree	Disagree	Disagree strongly
It is important for a restaurant to make its customers feel at ease.	84.0%	14.8%	0.4%	0.8%	0.0%
A discourteous restaurant employee could keep me from returning to a restaurant.	76.0	16.2	0.3	5.4	2.1
I think there should be a host or hostess to greet customers when they enter a *family* restaurant.	35.5	41.8	1.6	18.6	2.4
I think there should be a host or hostess to greet customers when they enter a *fancy* restaurant.	83.5	13.6	0.4	1.4	1.1
Waiters and waitresses at fancy restaurants should be knowledgeable about the menu and how the food is prepared.	87.0	11.4	0.1	1.1	0.2
I like to receive prompt attention to my needs at a *fancy* restaurant.	75.1	21.2	0.6	3.0	0.0

Note: Totals may not add to 100 percent because of rounding and exclusion of non-responses.

Source: *Consumer Expectations with Regard to Dining Away From Home*, National Restaurant Association, 1983.

DESIGN

a language you need to speak

by Elyse Cuttler

Although restaurant success is hard to predict, the design of a restaurant need not be an arbitrary process. Studies show that behavior can be affected by colors, types of furniture, lighting and seating arrangements. Although no one design element will lure customers back time after time, the atmosphere a restaurant creates does affect its customers.

Creating an atmosphere that will persuade customers to return again and again is a difficult process. Many restaurateurs think they have a design that will attract customers only to find that their customers prefer another restaurant.

Lighting sets the tone. . .

Lighting is the most critical factor to consider when designing a restaurant, says Paul Lorman of Paul Alexander Lorman Design in Bay Village, OH, because the type of lighting system used will set the tone of the restaurant. There are two types of lighting systems—incandescent lights and mercury vapor lights. According to Lorman, each has a distinctive effect. "Incandescent lighting systems are the easiest to control. You can turn them off or turn them down with dimmers," Lorman says. "Food looks best and most natural under this type of lighting. And when the lights are dimmed, people feel at ease and will be inclined to stay longer."

"However," Lorman adds, "if a customer wants to conduct a business meeting, he will feel more comfortable in the brighter mercury vapor or florescent lights." These lights are less expensive than the incandescent systems but have lower aesthetic appeal. Because florescent lights pick up most of the color spectrum, blues and greens become more dominent than the reds and oranges. This, Lorman maintains, causes skin tones to look pasty and food to look grey.

Carolyn Lambert, Ph.D. assistant professor of food systems administration at Pennslyvania State University, agrees that florescent lights will probably inhibit people from sitting in a restaurant for any length of time. "Although," she says, "if the restaurant also has plush chairs, soft music and full service, the lights will not have the same effect. The interworkings of all the elements must be studied together."

Lighting is so important that it can even solve a dining problem. Richard Muller of Hotel/Restaurant Planners in St.

Louis, MO, explains how he put lighting to work for one of his clients—a country club: "For some reason, children would always run through the dining room, creating a distraction to the people eating there. We decided to block out the outside light with draperies. This simple alteration changed the entire mood. It created a more formal atmosphere. The children no longer run through the dining room.

Color affects behavior. . .

Researchers have found that colors do affect moods. Some say that colors, such as reds and oranges, have a stimulating effect; and other colors, such as blue, have a quieting effect. Other researchers argue that the key to color is the intensity and that a bright blue can be as stimulating as a bright red.

Restaurant designers have incorporated both theories in their plans for restaurants. Jack McCabe of McCabe and Company in Chicago and NRA instructor for the course on restaurant design and facilities planning notes that if a restaurateur wants a high turnover, he should turn up the lighting and use bold colors, like red against green, as opposed to subtle colors, like salmon, peach and mauve, which have a softer, restful effect.

"The closer you get to primary colors (yellow, red, blue), the bolder the color scheme and the more contrast there is," McCabe says. "But," he adds, "if you step away from primary colors and reduce their intensity, those colors seem to become more restful."

Richard Bellamy of Richard Bellamy IML in New York City agrees. "When designing for a fast food operation, vivid colors are very important. The colors, along with tight seating, small, not too comfortable chairs and booths, overtly bright lighting and acoustics that are too noisy for conversation will urge the customer to eat and leave."

"In a white tablecloth service restaurant," Bellamy continues, "you want to create the opposite effect. Use muted colors, coupled with spacious, comfortable seating, romantic lighting and soothing acoustics, to enhance the atmosphere and prompt the customer to stay a little longer. Maybe he will try a dessert or cordial, and that will more than pay for the extra time he held the table."

Bellamy also explains that colors can convey restaurant themes. He explains: "Not so long ago the seafood restaurant would have to have a "marine" theme, such as a Cape Cod exterior and planked sailing vessel interior, outfitted with ship's wheels, ship's lanterns, rigging and even lifeboats hanging from the ceiling. But the restaurants of today break with that tradition. The seafood restaurant can have a modern decor, but if it is colored in cool greens and blues

Common color associations

Color	General appearance	Mental associations	Direct associations	Objective impressions	Subjective impressions
Red	brilliant, intense, opaque, dry	hot, fire, heat, blood	danger, Christmas, Fourth of July, Saint Valentine's Day, Mother's Day	passionate, exciting, fervid, active	intensity, rage, rapacity, fierceness
Orange	bright, luminous, glowing	warm, metallic, autumnal	Halloween, Thanksgiving	jovial, lively, energetic, forceful	hilarity, exuberance, satiety
Yellow	sunny, incandescent, radiant	sunlight	caution	cheerful, inspiring, vital, celestial	high spirit, health
Green	clear, moist	cool, nature, water	clear, St. Patrick's Day	quieting, refreshing, peaceful, innocent	ghastliness, disease, terror, guilt
Blue	transparent, wet	cold, sky, water, ice	service, flag	subduing, melanchoic, sober	gloom, fearfulness, furtiveness
Purple	deep, soft, atmospheric	cool, mist, dark, shadow	mourning, Easter	dignified, pompous, mournful, mystic	loneliness, desperation
White	spatial — light	cool, snow	cleanliness, Mother's Day, flag	pure, clean, frank, youthful	brightness of spirit, normality
Black	spatial — darkness	neutral, night, emptiness	mourning	funeral, ominous, deadly, depressing	negation of spirit, death

Source: [illegible] *Faber Birren. Copyright © 1980 by Faber Birren. Published by arrangement with Lyle Stuart*

Creating an atmosphere that will persuade patrons to return again and again can be difficult. But this design does the trick.

and white, it subtly conveys the marine theme.''

Richard Muller, Hotel Restaurant Planners, believes that a restaurateur should consider the location of his restaurant when deciding on a color scheme. ''In the northern states, people will stay longer if warm colors, such as reds, oranges and yellows, are used. In the southern states—or warmer climates—cooler colors, such as greens and blues, work best,'' he says.

Furniture can make them stay. . .

Consider the type of clientele you want in your restaurant when you choose furniture. According to Richard Muller of Hotel/Restaurant Planners, if you want members of the upper class, traditional furniture will work best. If your customers are business travelers, who have been walking on hard floors all day, contemporary furniture—including big plush chairs—will create a very comfortable atmosphere. If you want people to linger all night over drinks, comfortable couches and loveseats will make people relax. But if you want people in and out, use hard plastic chairs and formica tables. ''This type of restaurant can be very comfortable looking,'' says Muller, ''but when customers sit down they will not feel at all comfortable.''

One fast food restaurant tried to ignore its designer's advice and opted to increase its elegance with padded chairs and a wooden interior. The restaurant's turnover went down because customers suddenly stayed for 45 minutes.

In addition to the kind of furniture you choose, you should pay attention to such details as table height and the pitch of the chairs. To foster conversation and a comfortable atmosphere, the height of the table and the chair should complement one another, says Carolyn Lambert

If you want customers to leave your establishment quickly, you can change the pitch of your chairs. Jack McCabe of McCabe and Company says that by changing the pitch of a chair by only a few degrees, customers will feel like they are almost sliding off. ''They will want to leave your establishment quickly, but won't be able to tell why,'' he claims.

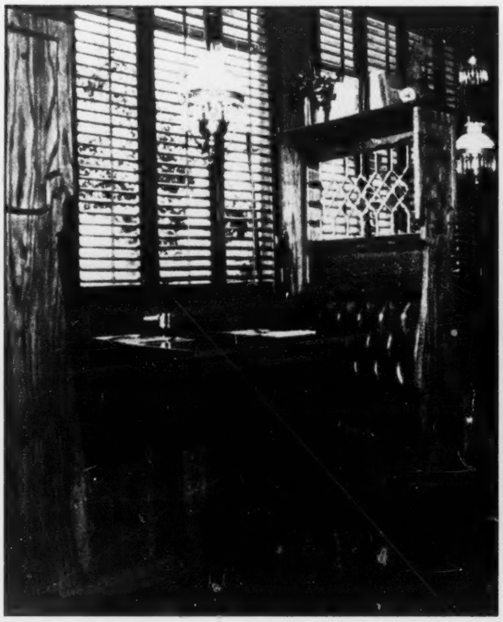
Bob Petrie of Robert C. Petrie Associates in Scottsdale, AZ, advocates the use of leather chairs to create a comfortable atmosphere. ''That's what the auto manufacturers are using, and it works,'' he explains. ''Some people think this costs too much money, but it doesn't when you divide the price by the number of people who patronize your establishment. Most important, leather chairs smell good and make people feel like they are at home.''

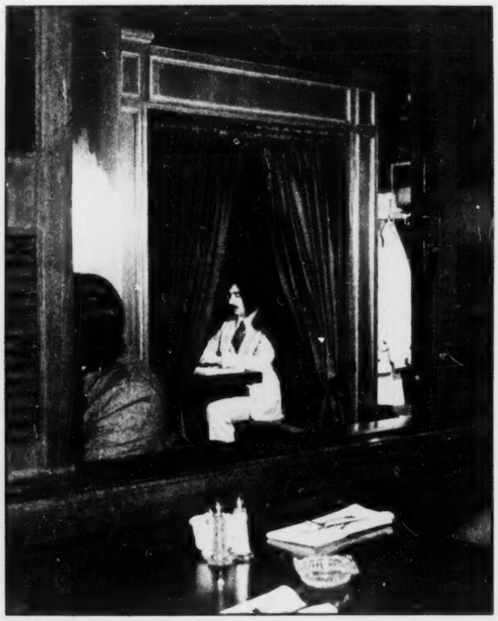
You can foster privacy or encourage mingling. . .

The way in which a room is divided—how far apart the tables are from each other and what the customer can actually see—are essential elements to consider when designing a restaurant.

According to Carolyn Lambert of Pennsylvania State University, territorial rights are very important to the restaurant-goer. ''Customers who frequent one particular restaurant quickly set up their own territory or boundries. They have a 'don't come near me attitude,' as opposed to people who frequent luncheon counters, diners or bars.''

Paul Lorman of Paul Alexander Lorman Associates believes that a bar-type establishment is for socializing—the patrons want to mingle—and the owner should remember





A small restaurant can use a variety of booths to create a private atmosphere

that in his design. "Asymmetrical angular shapes are more conducive to mingling than circular bars which bore customers," he observes.

Lindsey Bovinet of Interior Systems Incorporated in Fond Du Lac, WI, spends a lot of time designing fast service restaurants where he is forced to get as many seats in the room as possible without the feeling of crowding.

"The concept we use, called a privacy back, can be applied to any type of restaurant, not just fast service places, to create comfort and the feeling of privacy," he maintains.

Bovinet extends the back of each booth to come behind the customers' heads so that when a customer enters a restaurant, he can see all the booths; but when he is seated, a private setting is created. "Because the customer cannot see the other booths, this puts a psychological barrier between each booth," he explains.

A small restaurant can use a variation of this technique to create a private atmosphere. By dividing one dining room into four or five different dining areas, customers in each area will have the feeling that they are dining alone because they cannot see each other.

A similar method used by Jack McCabe of McCabe and Company is the concept of scale. Scale is the total notion of size and how it relates to other components spatially. "This concept is crucial in developing a specific atmosphere in a restaurant," he claims. "It can make customers feel like they are snug as a bug in a rug or lost in a train station waiting room."

"Take a restaurant that has 100 seats with 50 of them occupied," continues McCabe. "Customers can feel that they are sitting in a half-empty room. But by closing up a space with little niches and angles, lowering a ceiling or selecting the right furniture for a given space you can camouflage the size of the room."

No element stands alone. . .

Although each design element helps create the atmosphere in your restaurant, it is important to remember that no element stands alone. The customer responds to the total environment. That is why the design must be in tune with the people who frequent your restaurant, or your operation will not be successful.

"Sometimes," warns Lindsey Bovinet, "the trendsetter is in a very dangerous position. Customers respond to things they like, things they have seen before. It's usually better to create an atmosphere—whether it's comfortable and cozy or energetic and exciting—with a safe design. That way you will get a good response."

Jack McCabe disagrees. "Restaurateurs, designers and architects must create a design that is consistent with the overall approach. It may not be what customers are looking for or what they've seen before, he explains. "It is the job of the restaurateur to create believability. You cannot walk into a restaurant that looks like a railroad car and end up eating seafood served by Chinese waiters. It's incongruent, and it won't work." ❑

THE FIRST *NRA NEWS*
INDEX
(OCTOBER 1981–DECEMBER 1982)

With the publishing of the 1981-82 index of articles, the *NRA NEWS* becomes a useful reference tool in addition to being a timely, news magazine. A glance through the index will give you an idea of the indepth coverage *NRA NEWS* devotes to vital foodservice issues as well as to the wide range of NRA activities.The index includes all articles which have appeared in *NRA NEWS* between its inception as a magazine in October 1981 and December 1982. Articles are listed alphabetically by topic in three separate indexes: comprehensive, Washington Report and Foodservice Trends.

For easy reference, 1981 and 1982 articles are color keyed. Titles printed in black are 1982 articles; those printed in brown are 1981 articles.

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ECONOMY AND ECONOMIC INDICATORS

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Food cost index . . .

See: **Wholesale Food Prices and Supplies**

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See: **Industry Trends and Segments**

Wholesale food prices and supplies . . .

Commodity spotlight: price and availability forecast *(Oct., p.25); (Nov., p.23); (Feb., p.18); (April, p.35); (Sept., p.37)*
Fish consumption tied to prices and supplies *(Oct., p.37)*
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Wholesale food prices expected to moderate in 1982 *(Jan., p.24)*

EDUCATION

Good service builds good customers

A lot of restaurants can offer a delicious meal, but as every successful restaurateur knows, there is more to developing loyal customers than serving a nice dinner. The special ingredient that brings back customers and attracts new ones is a friendly and attentive staff, says Michael Parise, NRA instructor for courses in kitchen management and dining room management.

In all aspects of front-of-the-house service, the manager sets the pace. The manager should project—to both his employees and his customers—that he likes people and likes the foodservice business.

There are several areas in particular where a restaurant can greatly boost its hospitality image.

❦ **The greeting.** Most customers begin their dining experience with favorable expectations. The way your guests are met on arrival can confirm or destroy those expectations. Every guest should be greeted immediately and made to feel that the staff is personally interested in him and his party. Eye contact and friendly conversation will go a long way toward making customers feel welcome.

Don't forget your customers once they are seated. One method used frequently is to have the hostess circulate with a pot of coffee to chat with guests. This not only makes your guests feel cared for but also improves your hostess' awareness of the progress of table turns. During breakfast service, the hostess can circulate with pitchers of fresh orange juice instead of coffee. This is an attractive change of pace. It also tends to build juice sales as most patrons order coffee at breakfast as a matter of course.

❦ **Handling special requests.** Again, the manager sets the tone. "The more times you say 'yes' to unusual or difficult requests, the better the restaurateur you will become," maintains Michael Parise. "Your employees will learn to say (yes), too, and become more resourceful."

Pleasing a customer can depend on something very simple, such as keeping change for telephones, cigarettes and other occasional needs at the hostess stand. On the other hand, you can provide a very real service to a handicapped guest, such as having your menu printed in braille. (This service is available through the local chapters of the National Federation of the Blind. For information about your area, call the headquarters office at (301) 659-9314.)

❦ **Fielding complaints.** In addition to handling special requests, the manager and staff must be ready to hear complaints and take the steps needed to correct any problem. The keys to success in this area are to listen attentively, restate the problem to make sure you understand it and then take the necessary action with as little discomfort or embarrassment to the guest as possible. Let the customer know you are on his side, and then *follow up* to make sure the problem has been corrected. This attention gives you an opportunity to resell your restaurant.

In addition to setting an example for employees, the manager can combine motivation with ongoing training. Michael Parise suggests that you reward good performance by offering employees dinner packages at restaurants where you know the food and service are excellent. By giving your employees a dining experience they will remember, you show them what they can do for your customers.

For more tips on effectively managing all facets of dining room operations, you can attend one of the NRA seminars offered around the country. For registration information, contact NRA Seminars, 311 First Street, N.W., Washington, DC 20001, or call (800) 424-5156.

—Cathy Kenney

*****

5 NRA Introduces New Seminars on Restaurant Operations

*

Planning and Implementing Restaurant Marketing Strategy

In this basic course you'll learn to research your market and create successful promotion and merchandising tactics.

March 30–31, Indianapolis, IN
May 2–3, Miami, FL
May 21–22, Chicago, IL (NRA Show)
June 27–28, Boston, MA

**

Basic Purchasing

Whether it's choosing suppliers, evaluating products, financing or inventory control, this seminar can teach you the basics or refresh your buying skills.

April 18, Cincinnati, OH
May 9, Rochester, NY
May 21, Chicago, IL (NRA Show)

***

Motivation: Increasing the Desire to do More and Better Work

You'll learn to identify superior workers, build teams—and leaders.

May 3, Denver, CO
May 22, Chicago, IL (NRA Show)
June 1, Boston, MA

****

Wine: Sales and Merchandising

This program explains vintages, the wine-making process and food-and-wine matches.
Understand the wines you offer . . . and train your staff to sell them!

March 1, Washington, DC
May 22, Chicago, IL (NRA Show)

*****

Banquets and Buffets

Two great ways to expand your operation . . . and your profits! Learn the basics of selecting service styles and developing specialities.

March 9-10, Denver, CO
April 26-27, Las Vegas, NV

More information is available from
NRA Seminars,
311 First Street, N.W.,
Washington, D.C. 20001
Or call **800-424-5156.**

Sparkle!

It's top priority

by Carol Caprione

What do patrons want from a restaurant? The answer may surprise you. They want good food, true. But what takes top priority is cleanliness.

In a soon-to-be released NRA survey called "Consumer Expectations with Regard to Dining Away from Home," overall cleanliness was ranked number one of 22 restaurant features. Clean bathrooms ranked second, and tastiness of food came in third.

To find out how restaurateurs are approaching sanitation, *NRA NEWS* talked with associaton members from both small and large operations.

Teamwork makes the job easier. . .

Most operators agree sanitation requires a systematic approach, one based on a philosophy and specific procedures which all employees understand. In many restaurants, everyone has some responsibility for sanitation. Owners, supervisors and quality assurance directors may take on more responsibility than others, but everyone is responsible to some degree.

When people feel they are working toward a common goal, the job becomes less of a chore, maintains Margaret "Polly" Raye, owner of The Apple Tree in Taos, NM. "Everybody feels responsible and does part of the cleaning. If we're not busy, my cook will be scrubbing the walls."

Doug Kley, director of operations for Huddle House's 90 restaurants in Alabama, Florida, Georgia, Louisiana, South Carolina, Tennessee and Texas, echoes Raye when he says each person spends at least 45 to 60 minutes a day on sanitation.

At Dee Jay's in Dodge City, KS, in addition to their other duties, each of the restaurant's 15 employees dedicates Saturday mornings to cleaning. When Dee Jay's opens at 4:00 p.m. on Saturday, the carpets have been shampooed, the floors have been scrubbed and the front line equipment and broilers have been disassembled and cleaned. Nothing is left untouched, says owner Dee Jay Artz. "I spend about $300 a month above normal maintenance. I consider all of this cleaning an investment in the future of my restaurant. I'm from a small town. One bad sanitation report would put me out of business," Artz explains.

Philosophy—not just directions. . .

The execution of successful sanitation practices hinges on employees understanding the necessity of cleanliness. Jay Shea, owner of The New Sadler's Ordinary in Marlborough, CT, explains his approach: "Keeping a clean restaurant is a philosophy more than a direction. I tell my people to keep the restaurant so clean that they would want their mothers to dine here." Shea doesn't employ an outside firm to wash the floors. One reason is to encourage foodservers to wipe up a spill when it occurs. "If they know they have to take care of it, they'll do it immediately rather than wait until the end of the night. That's how they'd act in their own homes and that's how I want them to act here," says Shea.

> **"A clean restaurant, in my opinion, puts a restaurateur at ground zero. It just means that he has the privilege to operate."**
>
> *Doug Kley,*
> *Huddle Houses*

Pride is what keeps Higgins' Hobnob Limited in Racine, WI, spotless, according to owner James Higgins. Higgins reports that cleanliness is a relentless round-the-clock effort that really pays off. "We get nothing but compliments from our customers. They can rub their fingers on the top of our picture frames and not find any dust," boasts Higgins.

Training is crucial. . .

The approach to sanitation varies with the size, type and ownership of the operation. A family-owned 40-seat restaurant does not handle sanitation procedures in the same way a 325-unit chain does. But regardless of size, the approach should be systematic.

"Get organized about sanitation. Come up with a system. Have standard products for cleaning. Have instructions for each piece of equipment or area and a frequency, what it should be cleaned with, who cleans it and who checks it," recommends Joel Simpson, director of quality assurance for Dobbs Houses, Inc. in Memphis TN. "I was with the state regulatory agency for 15 years and did inspections myself. I found that the establishments that did not take an organized approach to sanitation were the ones that got in trouble. Without a systematized approach to cleaning and housekeeping, it's going to get ahead of you. Once that happens it's very hard to keep up with it. A system will save you," says Simpson.

Proper and explicit sanitation training from the very first day an employee starts work is probably the most profitable thing a restaurateur can do for his business. If the employee learns what is expected and how to do it, the owner will save himself time and help ensure the end result—a restaurant cleaned the way he wants it.

Yet sanitation is often ignored or explained in general terms. This isn't very effective, says Polly Raye of The Apple Tree. "If people get the right sanitation training from the very first day, then there is no problem later on. The training has to come very early and be very explicit. You can't just say 'clean this machine.' You have to say exactly what to do, how to do it and what product to use."

Train your employees in stages, recommends Jay Shea of the New Sadler's Ordinary. "We go slowly. Not only do we tell our employees what has to be done, we also tell them why. I think that's very important. The why stays in their mind. That's the reason we're so successful as a clean restaurant."

Dee Jay Artz of Dee Jay's says that proper training comes from the top. "If I lead the way, there's no problem; but if I try to force it on employees without actually getting involved myself, it doesn't work."

A manual can make the job easier. . .

A manual can be a great training aid. Dobbs Houses, Inc.—an operation which includes approximately 270 small 24-hour coffee shops, 24 airport terminals and 50 airline catering kitchens—makes good use of a training manual. The manual contains detailed information, including recipes, approved product lists, food protection guidelines, personal hygiene guidelines, cleaning instructions and cleaning schedules.

Neil Barry, owner of Neil's Restaurant in Franklin, NH, has been in his family business for 27 years. Barry uses the *NRA Sanitation Operations Manual* for training as well as the company guidebook he developed which, he says, "came out of good old-fashioned trial and error."

You don't have to do all the training yourself. Supply sales representatives can help with training. At the Good Spirit Restaurant in Emmaus, PA, the chemical supply sales rep teaches staff to properly assemble and disassemble the machines. Local health departments also can be very helpful. Some offer sanitation training as a public service.

When to call in outside help. . .

A trial and error period is usually necessary before you can determine how best to take care of sanitation in your restaurant. In general, routine cleaning is handled differently from special cleaning. Outside sanitation services are almost always used for pest control, for example, whereas in-house teamwork might be adequate in such areas as mopping and polishing.

At The Apple Tree Restaurant, employees handle routine, day-to-day cleaning but, once a week, an outside maintenance firm takes care of tasks that can't be done while the restaurant is open—like cleaning the oven.

Apple Tree owner Raye, like other restaurateurs, reports special closings for "spring" cleanings. "We closed last year for two weeks and did a major scrub down, paint over, clean up. Everyone on the staff came in and cleaned. This closing was expensive but we chose a slow time of the year, and it was worth it," she says.

At the The Good Spirit Restaurant one employee is responsible for cleaning the front from 5:00 a.m. to noon, seven days a week. At the end of the night, three people clean the kitchen for two to three hours. Above and beyond these cleanings, The Good Spirit closes for an entire day three times a year. "We close the entire operation and bring in everybody for an employee meeting and a thorough top-to-bottom cleaning. We choose the times of these extensive departmental cleanings very carefully—always a Sunday or a holiday Monday—so we minimize our loss," explains owner Howard Gevertz. "It's expensive to do this, but we are open seven days a week, three meals a day; this seems to be the best way to handle the cleaning. We disconnect the entire kitchen. We dust, we polish, we scrub and, in the end, we sparkle."

James Higgins of Higgins Hobnob Limited closes his restaurant twice a year for vacations. At the time of these closings, outside agencies do duct work in the kitchen; strip, wax and polish the parquet flooring and do other cleaning jobs. The staff can come in at these times and clean for pay. "We strip every room from ceiling to floor—including the phone booths," says Higgins.

Motivation—a means to a result. . .

Some restaurateurs have developed incentives to motivate employees to keep their restaurants clean. Jay Shea of the New Sadler's Ordinary for example, provides staff meals at half price, schedules special breaks and passes on compliments at bi-monthly staff meetings.

At the Dobbs House restaurant chain, on the other hand, there is competition among the units. "We keep count to see how many warnings we get each year from the FDA (Food and Drug Administration). We try to lower the number annually. We've seen a dramatic decrease. This year, we had only one warning in the entire system."

Prepare for a federal inspection. . .

Self-inspections are one effective way to ensure that your operation is meeting government sanitation standards. If yours is a large operation, conduct in-house inspections on a frequent, regular schedule. If yours is a small restaurant, you can be less formal about your self-inspection, but

10 Commandments for food safety

1 **Keep meat, poultry, fish and all other potentially hazardous foods at safe temperatures (below 45°F or above 140°F).**

2 **Maintain refrigerator temperature at 40°F—45°F. Check often.**

3 **Maintain freezer temperature at 0°F. Check often.**

4 **Refrigerate foods in shallow containers—food depth should not exceed four inches.**

5 **Never store raw foods above foods not requiring further washing or cooking.**

6 **Thaw frozen meat, poultry and fish in the refrigerator. If time is a factor, thaw in a water-tight package under cold, running water.**

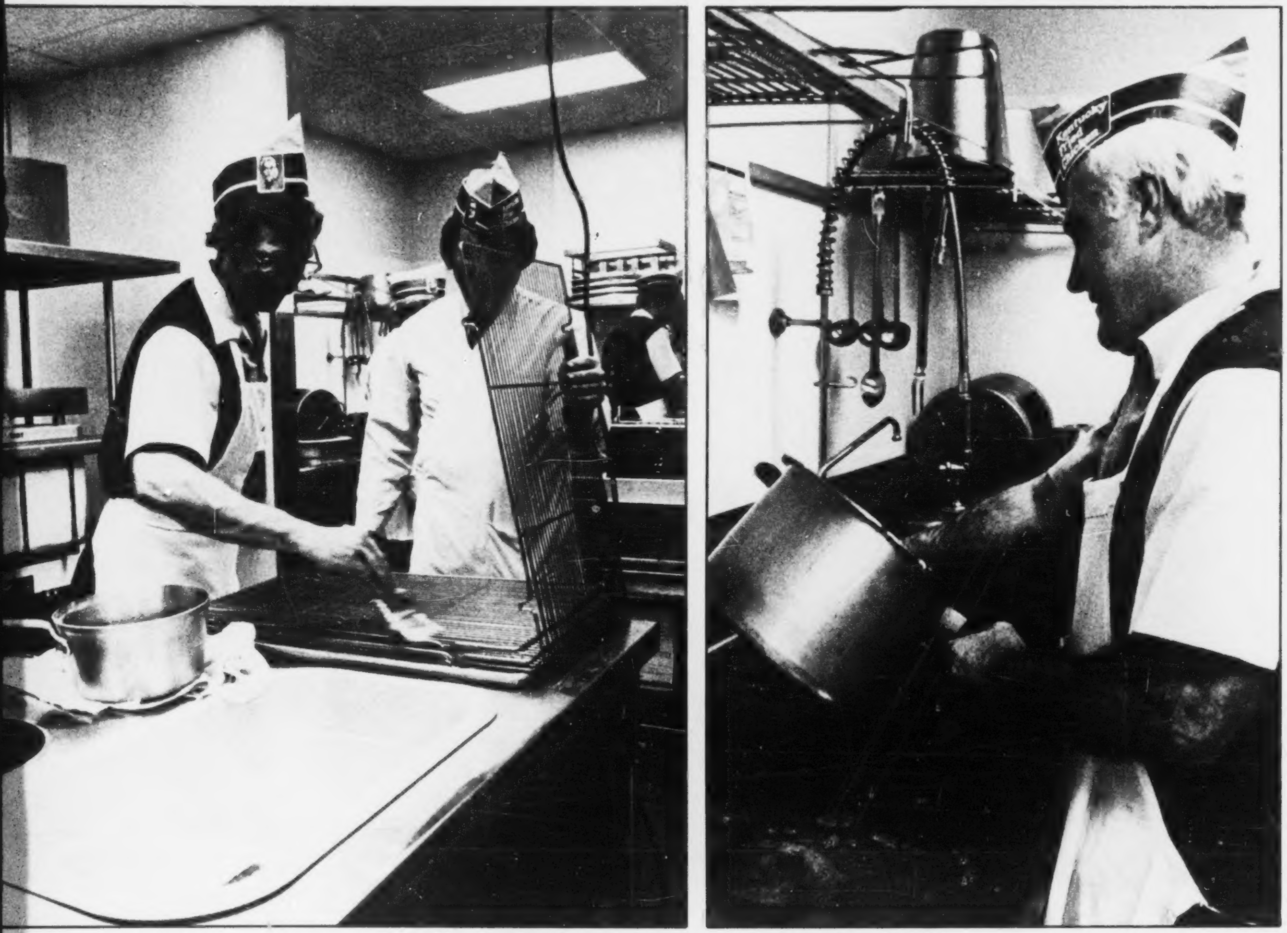
7 **For refrigerator storage, wrap loosely.**

8 **For frozen storage, wrap tightly.**

9 **Clean and sanitize cutting boards and other food contact surfaces after each use.**

10 **Never use foods from dented or bulging cans. Return them to the supplier. Do not taste these foods!**

developed by Dobbs Houses in cooperation with the U.S. Department of Agriculture



Charles Bailey, Jr.

"The training has to come very early and be very explicit. You can't just say 'clean this machine.' You have to say exactly what to do, how to do it and what product to use."

you should most certainly not omit it.

At Carl's Jr. restaurants, headquartered in Anaheim, CA, inspectors spend two hours every month to inspect each of the chain's 325 units. "We inspect not only sanitation but also other activities like food handling and refrigeration," explains Chuck Hogue, director of quality assurance for Carl Karcher Enterprises, which owns and operates the restaurant chain.

All the inspectors at Carl Karcher Enterprises are ex-managers. According to Hogue, this is a real advantage because they know the units and can talk to the staff about short cuts and other procedures. They also know exactly what to look for "from the curb to the back fence," says Hogue. The units are graded each time on a point system, which is published throughout the company. It gives the score for every unit, so each area takes a lot of pride in how well they do.

Whatever the size of your operation, one approach you can follow for your self inspections is to get a copy of your state check list from your local public health department or use FDA's model foodservice inspection form. Find those items that pertain to your operation, and then use them to inspect your facility and to train your employees. In this way management gets used to seeing the criteria and can monitor special problem areas.

Extra attention needed in crucial areas. . .

Certain areas of a restaurant need extra special attention. The front has to be spotless because that's what the patron sees first. The kitchen has to be clean to prevent food contamination. The restrooms have to be clean because many customers judge your whole establishment on the cleanliness of your restrooms.

If extra emphasis should be placed anywhere, it should be placed on the cleanliness of the restrooms. Patrons list clean restrooms second only to overall cleanliness in what they expect from a restaurant. Many restaurateurs say that they clean their restrooms before each shift, and they check them as often as possible in between. Every hour would not be too often to check a restroom. If everything is fine, the check only takes a minute. If something needs correcting, it can be fixed before too many patrons are inconvenienced.

To help with major cleaning, restrooms can be tiled from floor to ceiling so they can be wiped down.

In sum. . .

Why take all the time to clean? Doug Kley, director of operations for the Huddle House chain, sums up the value of sanitation: "A clean restaurant, in my opinion, puts a restaurateur at ground zero. It just means that he has the privilege to operate." ❑

Don't get caught
with these major violations

Here are some examples of serious public health violations. They are taken from *NRA's Sanitation Operations Manual* and reflect those categories in FDA's (Food and Drug Administration's) Foodservice Model Ordinance which require correction. The manual can help you set up a systematic sanitation program. It is available for purchase from NRA offices in Washington.

Food supplies:
✕ using home canned foods
✕ storing swollen or leaking canned food containers on shelves
✕ keeping spoiled products which should be discarded

Food storage:
✕ maintaining uncovered ice storage units
✕ storing raw poultry above fresh vegetables in walk-in cooler
✕ burying juice container in ice used for service
✕ storing food under hanging hindquarter

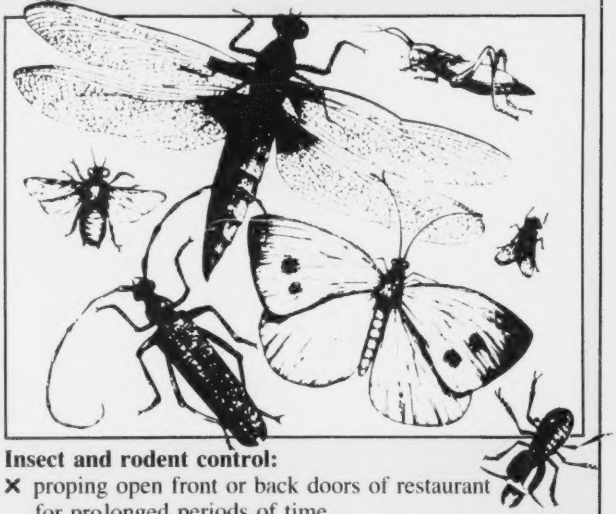
Food protection:
✕ maintaining refrigerators that do not provide accurate and proper indicating thermometers
✕ placing large stock pot of hot spaghetti sauce in refrigerator
✕ using ice from pantry food well for water glasses
✕ not placing thermometer in proper location in refrigerator
✕ maintaining hot food holding cabinet that is not capable of holding food at temperatures of 140°F or above
✕ failing to check internal food temperature
✕ reserving unwrapped dinner rolls
✕ not dispensing bottled water from the original container

Employee health and cleanliness:
✕ allowing wait staff with severe coughs to serve food
✕ allowing cooks with cut or bandaged fingers to work in pantry, bakery or steam table positions
✕ allowing employees who do not wash hands after using toilets to work
✕ allowing employees who do not wash hands after smoking to work

Food equipment installation and sanitation:
✕ sanitizing equipment with chemical solutions that are not adequately concentrated
✕ using inadequate temperatures in dishwasher
✕ not sanitizing meat slicer after cleaning

Sewage and plumbing:
✕ using leaky waste water lines
✕ failing to provide submerged water inlet in sink with backflow preventing device

Toilet and lavatory facilities:
✕ not providing lavatory facilities in or adjacent to toilet rooms
✕ not providing hand sinks convenient to food preparation and dishwashing operation
✕ not providing both hot and cold water in sinks
✕ using quick-snap faucets in hand sinks that require one hand on the faucet to keep the water flowing
✕ not providing a combination mixing faucet on hand sink



Insect and rodent control:
✕ proping open front or back doors of restaurant for prolonged periods of time
✕ maintaining screens on doors and windows that are in poor repair
✕ showing signs of recent rodent activity
✕ maintaining outside doors that are not self-closing or tight-fitting

Poisonous or toxic materials:
✕ not labeling insecticides
✕ storing toxic material above food or single service articles
✕ storing rodenticides with food
✕ spraying insecticide when food is exposed
✕ storing medicine for first aid supplies with food
✕ storing toxic material not used in the restaurant

TECHNICAL SERVICES

Don't let the winter weather catch you off guard

Low temperatures, snowfall, high winds and even floods are all part of the winter season. But they needn't be a source of worry if you anticipate these conditions and develop corrective measures.

During snowfalls. . .

During snowfalls and low temperatures

- remove excess snow from the roof to protect its structure and integrity. Building insulation tends to reduce normal snow melt.
- remove icicles which can fall and injure passersby. If this is not possible, place barricades on walks below.
- prevent buildup of snow and ice on sidewalks and parking areas.
- check floor tiles in entryways daily, as excessive moisture may cause these tiles to loosen and lift up.
- insulate or warm pipes as prolonged severe cold weather may freeze the water service line or freeze pipes in unheated areas, such as basements or attics.
- plan to provide sleeping accommodations on the premises when extremely heavy snowfalls prevent employees from traveling to and from your restaurant.
- test your emergency lighting.

During closings. . .

If the restaurant is to be closed for an extended period due to a severe storm, expand the normal night shutdown procedure. Be sure to

1. move foods, if necessary, from refrigerators to freezers.
2. set the heating to a temperature that will prevent freezing of water lines.
3. remove any exterior equipment that may be vandalized.
4. notify law enforcement authorities that you will be closed.
5. schedule a watchman if necessary.

During high winds. . .

The National Weather Service usually provides adequate warning of impending high winds. The service uses the words "watch" and "warning" to describe adverse weather conditions, such as thunderstorms, tornadoes and hurricanes. "Watch" indicates there is a possibility of the weather indicated while "warning" indicates that such weather is occurring in the identified area. If high wind storms are expected, you may have power outages. To preserve foods in freezers and refrigerators, buy dry ice and plan to open freezers and refrigerators as little as possible.

Be sure you have evacuation plans for the protection of customers and employees during tornadoes and hurricanes. If your staff and guests cannot be evacuated, direct them to shelter, away from windows or cellars, preferably along the inside walls of your building.

After a high wind storm. . .

- check roof-mounted equipment for missing panels and parts or loose mountings
- clear roof and downspouts of debris
- cover wall or roof openings caused by storm
- clear property of debris and check condition of exterior facilities, such as signs and refuse containers and
- clean floors and check all supplies that may have been damaged if accompanying storm has caused floor drains to back up.

During floods. . .

Each year melting snow and heavy rains cause streams and rivers to flood, sometimes within an hour or two. When warning is given, consider the following actions

- If you don't have sandbags to keep water out, raise equipment and supplies to a higher level or transport equipment to another location.
- Fill empty or partially empty containers with water or other material to weigh them down. Otherwise, they will float and may act as battering rams against the building structure.
- Make sure a portable radio is available to receive weather advisories should electrical current be interrupted.
- Check emergency lighting and have battery powered flashlights available.
- Don't count on your employees to help you as they will be concerned about protecting their own homes and families.
- Pumps are effective with gradual seepage but generally not effective if water enters through any sizeable opening, such as a window.
- Electrically-powered pumps may be inoperative due to electrical service interruptions.
- Water may enter through floor drains or other plumbing fixtures. Check valves can become less reliable as they become clogged.
- Fire is a paramount threat from live electrical circuits and equipment, floating flammable liquids and accumulated debris.

Because floods create mud, cleanup requires immediate attention. Hosing mud out while still wet will greatly simplify the task. Once it is hardened, cleanup becomes more difficult and expensive.

—Andrew P. Poledor

SHOWTIME

Headliners include Haig, Chef Louis, Merle Haggard

Plans for the 64th annual NRA Show—May 21-25, 1983 at Chicago's McCormick Place—are rapidly reaching completion. The Show is already sold out, and more than 1250 exhibitors are creating or refurbishing their booths to be ready to show their wares and talk about products and services.

In addition to its magnificent panoply of exhibits, the NRA Show will feature a variety of special events, social functions and educational presentations. This year members of the U.S. Culinary Olympics team will compete for the North American Championship in the Hot Food Competition. Other popular exhibits will include the NRA Culinary Arts Salon for eye-dazzling cold-food preparation and the annual NRA Menu Contest display.

In addition, there will be numerous educational programs designed to be of both general and specialized interest.

The NRA Show will get under way early Sunday morning, May 22, following a day of previews for dealers and wholesalers.

Haig to open show. . .

The opening day keynote speaker will be one of the nation's most distinguished and controversial personalities, the Honorable Alexander M. Haig, Jr. General Haig is a former secretary of state in the Reagan administration and was the supreme allied commander for NATO in Europe.

On more specific topics, the 64th Annual NRA Show will present such headliners as Robert F. Mager, Dru Scott, James Cribbin and Louis Szathmary in programs designed to show attendees how to deal with people problems, management problems and culinary situations.

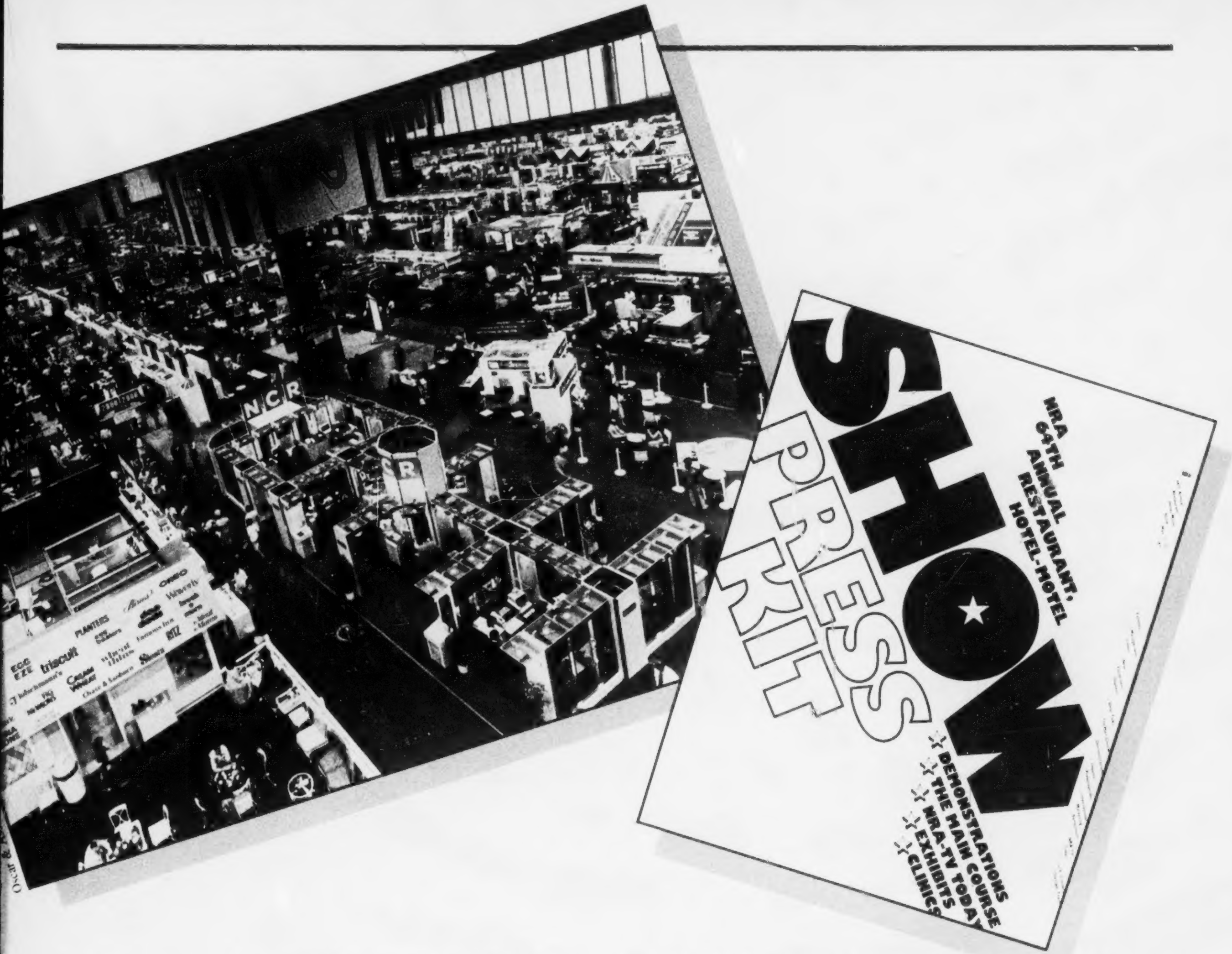
Dr. Mager is one of the world's foremost authorities on human performance problems. His presentation will deal with "instructional troubleshooting" and is designed to show how and why training and instruction can break down in your organization, and what you have to do to mend this kind of situation.

Dr. Dru Scott will explain how you can motivate your people for maximum hospitality performance. Dr. Cribbin of St. John's University will analyze managerial techniques and show where existing systems may be off target.

Chef Louis shares secrets. . .

Chef Louis Szathmary needs no introduction. This legendary culinary artist brought an obscure Chicago side-street restaurant, "The Bakery," into world prominence. Chef Louis will share a number of his secrets.

All in all, there will be approximately three dozen NRA educational programs, including a number of shop talks on specific aspects of food and beverage service.



Headliners for the 64th Annual NRA Restaurant Hotel-Motel Show include (f. left) Chef Louis Szathmary, Betty Ford and Alexander Haig.

The NRA Management Clinic will house a number of these fine programs, continuing its customary program of presenting well-known trainers, operators and specialists on a wide variety of foodservice management topics. And the NRA Theatre presentations will feature name speakers whose topics are a bit more general in nature.

An international panel. . .

The NRA Show continues to grow and enlarge its sphere of influence in the international arena. To that end, this year's show will feature a panel presentation on how to do business in the European market—a "must" for any organiztion that is planning to expand across the Atlantic. European participants who "know the territory" will share important marketing facts that differentiate European and American buying patterns and business techniques.

In addition to the industry-oriented features of the NRA Show, there are a number of delightful social events that promise to add sparkle, relaxation and good fellowship.

As usual, NRA will host two musical evenings. These Convention Capers, as they are called, are free to registered attendees. They feature top-flight musical entertainment and dancing and are wonderful opportunities to meet and join up with old friends and acquaintances. One of this year's Capers will feature a "jazz nostalgia" theme—with headliners everyone knows and loves.

New event: first ladies' luncheon. . .

A new event this year will be the first ladies' luncheon to be held at noon on Monday, May 23. The guest speaker will be Betty Ford, wife of former U.S. President Gerald R. Ford.

Returning for the third year is "The Main Course Race:" More than 12,000 runners will set out on a 10 kilometer (6.2 mile) course along Chicago's lake front. This year's race will feature a new category for team competition and more hospitality tents catering to the runners.

Finally, the NRA Banquet will headline one of the world's most popular male singers—country and western star Merle Haggard. Among his many million-sellers are "Okie from Muskogee," "If We're Not Back in Love by Monday," "It's Been a Great Afternoon" and "Bar Room Buddies" from the hit movie "Bronco Billy" with Clint Eastwood.

These events are only the beginning. Other big name educators and performers will be disclosed in the near future. There's no question that you'll be in good company when you attend the 64th Annual NRA Show this coming May. Make plans to attend—it is the leading show of its kind.

—Dick Gaven

FOODSERVICE TRENDS

CREST Highlights

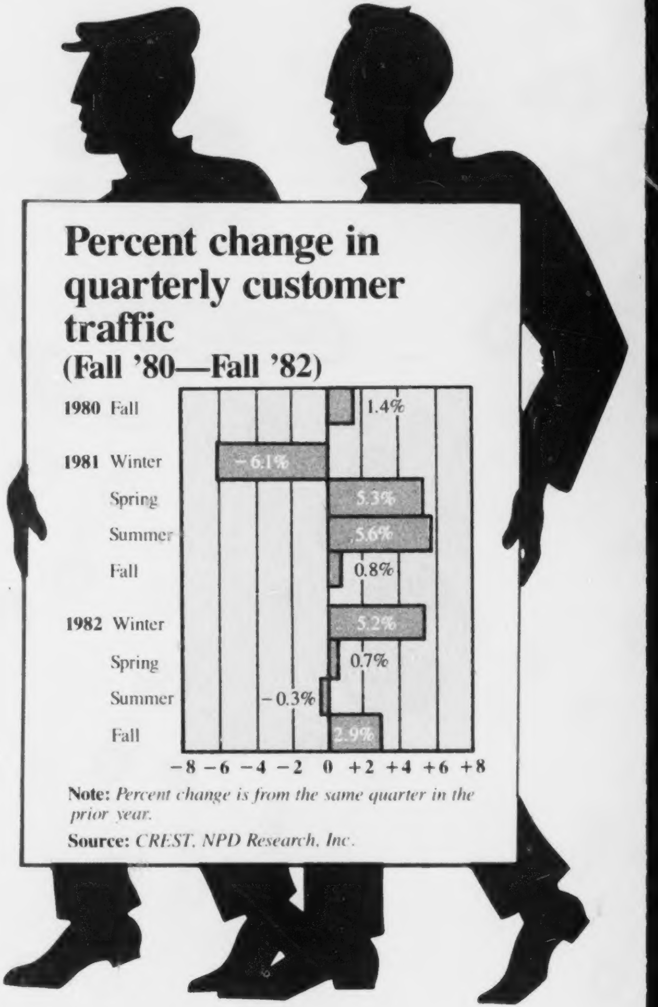
- The industry's slump may be over. Customer traffic at the nation's restaurants was up three percent in the fall.
- More families ate out in September, October and November, but not as often as before. Foodservice operators now face the challenge of making them regular customers.
- Like traffic, fall sales took a real leap—up five percent, compared with smaller gains of 1.3 percent and 2.6 percent in the two earlier quarters.
- Fast food and family restaurants stole the limelight. Sales were up 10.4 percent and 4.4 percent, respectively. Atmosphere/specialty restaurants, take out restaurants, cafeterias and coffee shops didn't do too well—customer counts fell at each of these types of operations.
- Foodservice operators continue to promote their menus. Eleven percent of all meal occasions involved a promotion during the fall, up from nine percent in 1981. Fast food and family restaurants use promotions more often than other types of restaurants and this may contribute to their increased sales.
- More patrons ate supper and breakfast out (7.4 and 5.4 percent, respectively). Lunch traffic, however, was off about one percent, suggesting that the high levels of unemployment are continuing to take their toll. If yours is a luncheon business in an area of high unemployment, you may want to spruce up your breakfast or dinner offerings.

Customer traffic increases in fall

Customer traffic at the nation's restaurants increased in the fall quarter, reversing the trend of the two prior quarters and signaling a possible end to the industry's slump. According to CREST data, customer counts rose 2.9 percent during the fall quarter—September, October, November. Traffic was down 0.3 percent in the summer and 0.7 percent in the spring but was up a substantial 5.2 percent in the winter.

Continued moderation in the rate of inflation, lower interest rates and rising disposable personal incomes all combined to improve the climate for consumer spending. As a result, the number of families who dined out at least once during any two-week period rose in the quarter. However, the high rate of unemployment as well as the fear of being unemployed caused many consumers to cut back on their frequency of eating away from home.

NRA predicts that the industry's performance will continue to improve in 1983, particularly during the second half of the year when the economy is expected to strengthen. The effect of moderating inflation, lower interest rates and rising consumer incomes should fuel increased spending for restaurant meals. However, the nation will still be plagued with a high level of unemployment, and this will retard sales growth to some degree. NRA forecasts eating places will experience real sales growth (adjusted for inflation) of 2.6 percent in 1983, following a real increase of two percent last year.


Percent change in quarterly customer traffic
(Fall '80—Fall '82)

Note: *Percent change is from the same quarter in the prior year.*

Source: *CREST, NPD Research, Inc.*

More families eating out. . .

The proportion of families in the eating out market rose in the fall quarter, contributing to the advance in customer counts. The average number of times families visited restaurants—visit frequency—fell for the third consecutive quarter, but the rate of decline has moderated. Visit frequency was down 3.2 percent in the spring, 1.6 percent in the summer and less than one percent in the fall.

The number of families eating out at fast food and family

**Consumer reports on eating share trends*

Percent change in quarterly CREST sales*

(Fall '80—Fall '82)

1980	Fall	9.8%
1981	Winter	1.8%
	Spring	16.0%
	Summer	17.7%
	Fall	10.3%
1982	Winter	12.0%
	Spring	2.6%
	Summer	1.3%
	Fall	5.0%

**Sales based on total U.S.; average for two-week period each quarter.*

Note: *Percent change is from the same quarter in the prior year.*

Source: *CREST, NPD Research, Inc.*

Average per person check*

(Fall '80—Fall '82)

		Percent change	Average check per eater
1980	Fall	8.4%	$2.57
1981	Winter	8.5%	$2.69
	Spring	10.1%	$2.72
	Summer	11.7%	$2.67
	Fall	9.3%	$2.81
1982	Winter	6.3%	$2.86
	Spring	3.3%	$2.81
	Summer	1.5%	$2.71
	Fall	2.1%	$2.87

**Based on average two-week period.*

Note: *Percent change is from the same quarter in the prior year.*

Source: *CREST, NPD Research, Inc.*

restaurants rose this past quarter, but the number of families was down at all other types of eating establishments.

Visit frequency was up only at fast food restaurants.

Restaurants sales up 5.0 percent. . .

CREST sales posted modest growth during the September-October-November period. Sales rose 5.0 percent in the fall quarter over the same period in 1981. Although this compares favorably with more meager gains in the two prior quarters of 1.3 percent and 2.6 percent, sales rose considerably faster in last year's winter quarter—12.0 percent.

The average expenditure for a restaurant meal or snack—per person check size—continued to register a relatively small rise—up only 2.1 percent. In comparison, the average check rose at a slower rate in the summer, 1.5 percent, but at a faster pace in the spring and winter, 3.3 percent and 6.3 percent, respectively. In addition, the 2.1 percent increase in the most recent CREST quarter is less than half the 4.9 percent rise in menu prices as measured by the Consumer Price Index (CPI) for food away from home during the three-month period. The CREST figures reflect price discounts as well as the fact that consumers may be ordering fewer items or ordering lower-priced menu items.

Promotion usage continues at high level. . .

Restaurant operators are continuing to use promotions as a means of building customer traffic. In the fall quarter 10.9 percent of the meal occasions involved a promotion—up from 9.3 percent during the same three-month period in 1981. Promotional usage is up from the summer quarter's 10.0 percent rate but is lower than the spring's 11.6 percent level.

An analysis of promotional usage by restaurant type shows that, as in the past, fast food and family restaurants use promotions more frequently than other restaurant types. Promotions were used on 15.5 percent of meal occasions at fast food places—up substantially from 12.5 percent during the same period a year ago. Promotional usage at family restaurants declined slightly from 9.5 percent of the occasions in the fall of 1981 to 9.3 percent in the most recent fall quarter.

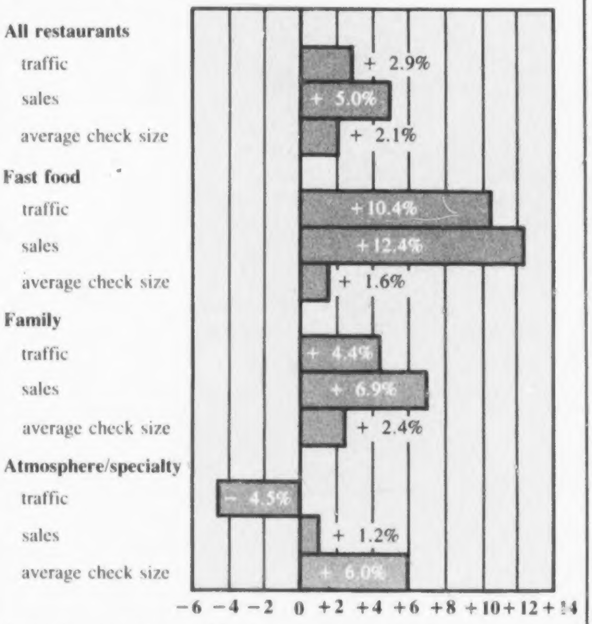
Traffic increases at fast food and family restaurants. . .

Fast food and family restaurants posted gains in traffic in the fall quarter. However, customer counts declined at atmosphere/specialty restaurants, coffee shops and cafeterias.

Traffic rose a substantial 10.4 percent at fast food restaurants in the fall quarter from the same period in 1981. This represents the fourth consecutive quarter of customer count gains and is the largest jump since the 1978 spring quarter when traffic was up 11.0 percent.

An increase in the number of families eating out at fast food restaurants as well as an increase in the visit frequency and in the party size all helped to boost traffic. In addition, the per person check size rose a modest 1.6 percent at this restaurant type compared with a somewhat larger advance of 2.1 percent for all restaurants. Promotions were also used heavily at fast food restaurants in the fall quarter—on 15.5 percent of the occasions. These factors may have led some consumers to perceive a favorable price/value relationship at a fast food place, contributing to the rise in customer counts. (NRA is investigating how consumers rate the value received for the price paid for restaurant meals. This information will be reported in an upcoming issue of *NRA NEWS*.)

Fall quarter performance by select restaurant type



Note: *Percent change is from the same quarter in the prior year.*

Source: *CREST, NPD Research, Inc.*

Family restaurants posted a 4.4 percent gain in customer traffic during the September-October-November quarter from the same three-month period in 1981. This compares with a 1.9 percent decrease in the previous summer quarter. Visit frequency was down slightly, but the number of families patronizing family eating establishments in the fall quarter rose considerably. This latter factor was the impetus behind the good performance for this restaurant type.

The per person check size at family restaurants rose at a slightly faster pace than at all restaurants—2.4 percent versus 2.1 percent. Promotions were used on 9.4 percent of the family restaurant occasions. NRA believes that the economy forced many consumers to "trade down," and this practice seemed to benefit family restaurants. Restaurant patrons still wanted to eat out but could not afford the more expensive restaurants.

Customer counts fell 4.5 percent at atmosphere/specialty restaurants during the fall quarter from the same period a year ago. In comparison, traffic was up 3.4 percent in the summer, although it had registered declines in the spring quarter and the previous winter.

Both visit frequency and the proportion of families eating at upscale eating establishments declined in this recent quarter, accounting for the drop in traffic. In addition, the per person check size was up a relatively high 6.0 percent, and this probably caused some patrons to perceive a poor price/value relationship at this type of restaurant. In addition upscale restaurants were hurt by economic conditions which forced many consumers to trade down to lower and moderately priced restaurants.

Take-out restaurants, coffee shops and cafeterias also posted traffic declines in the most recent CREST period. The decrease in customer counts can be attributed to fewer families dining away from home as well as a cutback in the number of visits to each of these eating establishments.

Customer counts up at breakfast and supper. . .

Both breakfast and supper registered increases in traffic during the fall quarter, while customer counts for lunch and snacks were down.

Breakfast traffic was up a substantial 5.7 percent in the most recent CREST period, compared with a drop of 1.9 percent in the previous quarter. Although the number of breakfast visits made by families declined, the number of families eating out for the morning meal increased considerably and contributed to the overall rise in customer counts.

Customer counts for the evening meal posted a 7.4 percent gain in the fall quarter over the same period a year ago. This represents the fourth consecutive quarter of traffic increases for the evening meal. Visit frequency and the number of families eating out for supper were both up in this latest quarter. Information from the Gallup Organization's *Monthly Report on Eating Out Attitudes and Behavior* indicates that fast food restaurants have been claiming a larger share of the dinner business from cost-conscious consumers, and as reported earlier, fast food restaurants enjoyed a particularly strong fall quarter. This, in turn, helped boost overall supper traffic and sales.

Restaurant traffic at lunch was off about one percent in the fall quarter over the same period a year ago. This compares with declines of 0.3 percent and 8.1 percent in each of the two previous quarters. Visit frequency was down at this meal period as was the proportion of families eating out, accounting for the drop in traffic. The high level of unemployment resulted in more people eating the mid-day meal at home.

Snacking occasions recorded a 1.6 percent decrease in the fall quarter, marking the third consecutive quarter of falling traffic for this discretionary meal period. Fewer families were snacking away from home during September-October-November, and those who continued to do so snacked less frequently.

❑ ❑ ❑

CREST data can be helpful to restaurateurs. . .

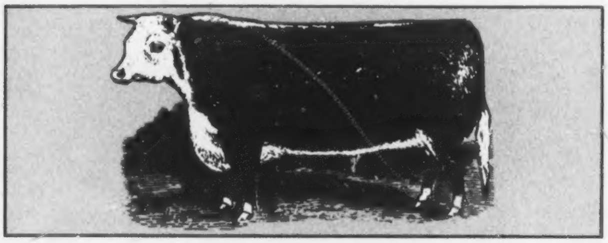
The CREST information presented here can be useful to restaurateurs as a base for comparing their operations with industry performance nationally as well as with performance within their specific restaurant category (fast food, family, atmosphere/specialty restaurants). CREST data can also help monitor performance for specific meal periods and identify how segments will be affected by economic conditions. More detailed CREST information is available to NRA members through the research and information services department of the National Restaurant Association, 311 First St., N.W., Washington, DC 20001.

Wholesale food prices will continue to moderate in 1983

Food prices in 1983 should not jump dramatically, according to economists at USDA's Agricultural Outlook Conference. Record harvests of wheat, corn, soybeans, fruits and vegetables and lower demands both here and abroad should contribute to the moderate rise in food prices in 1983.

Meat prices will be up in 1983, however. As pork and beef production declines, prices will rise. Lower red meat supplies should, in turn, increase broiler prices.

This forecast contrasts with last year. Wholesale food costs for restaurant operators rose at a faster rate than overall food costs during the first 11 months of 1982. Higher prices for pork, fish, shellfish and fresh fruit contributed to the rise. The NRA Food Cost Index was up 2.4 percent during this 11-month period, but the Bureau of Labor Statistics All Food, Producer Price Index reported a considerably slower increase of 1.0 percent.



Beef—supplies down and prices higher. . .

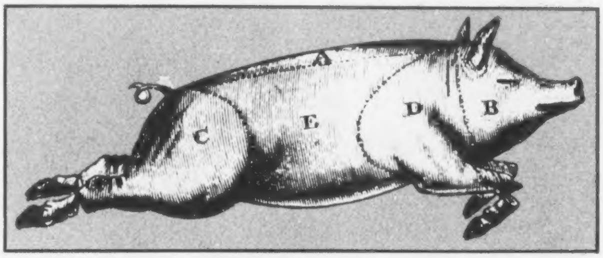
According to USDA economist Ron Gustafson, beef production is estimated to total 22.1 billion pounds in 1983, down 1.0 percent from 22.3 billion pounds in 1982. Output for 1983 should be up 2.2 percent during the first six months, down 2.9 percent in the third quarter, and down 4.3 percent between September and December.

Prices for choice-fed steers at Omaha, which supply the industry with quality cuts of beef, are expected to average $67 to $68 per cwt. in 1983, up 3.8 percent from $65 in 1982. During the first quarter overall prices for beef are expected to average $65, a 2.6 percent gain from $63.36 in the spring of 1982. During the second quarter, prices will average $68 per cwt., a 3.5 percent decline from $70.46 during the same quarter in 1982.

In the second half of 1983—in response to decreased production and an improving economy—prices are estimated to average $69—up 9.0 percent from $63 in the July-December period in 1982.

Pork—lower production and higher prices. . .

Pork production is forecast to drop for the third consecutive year. It will be down 3.0 percent from the 1982 level, for a total of 13.5 billion pounds. Output in the first and second quarters is expected to fall 10.0 percent and 6.3 percent, respectively, from the same period in 1982. However, output is estimated to rise during the second half of the year—up 3.6 percent over 1982.

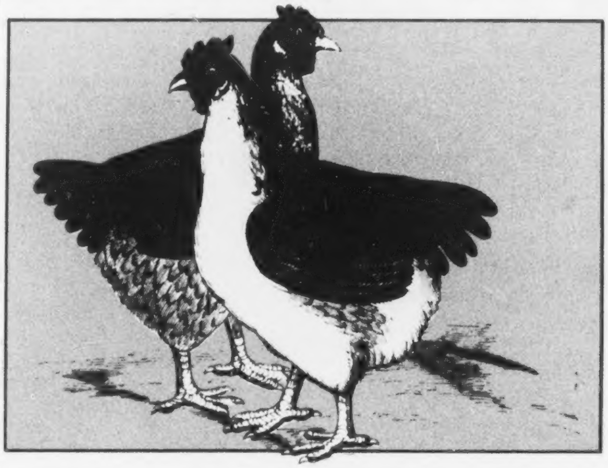


USDA predicts hog prices will average $59 per cwt. in 1983, up 5.4 percent from $56 in 1982. In the first half of the year, prices should average $60—up 14.7 percent from $52.30 in 1982. In the second half of the year, hog prices will be down from 1982. In the third quarter they will be $61, down 1.6 percent from $61.99, and in the fourth quarter they will average $56 per cwt., down 5.1 percent from $59 in 1982.

Chicken—output up slightly and prices stable. . .

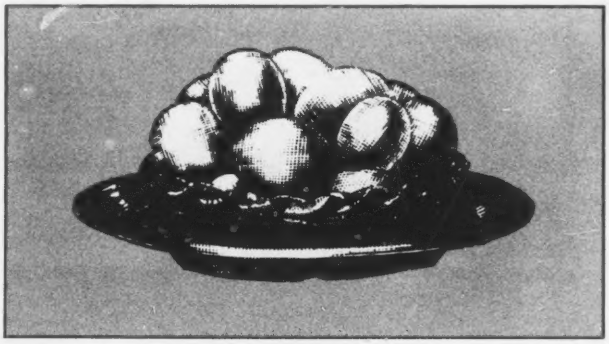
Broiler output will be up less than one percent in 1983, rising from 12.2 billion pounds to 12.3 billion pounds. Output is expected to reach almost three billion pounds in the January-March period, a 2.1 percent advance from the same months in 1982. It will be up 2.9 percent in the second quarter, will fall 3.1 percent during the third quarter and will increase 1.4 percent between October and December.

Broiler prices will hold at the 1982 level throughout much of this year due to the slight increase in production



and the weak economic recovery, according to USDA predictions.

Prices should average 45 cents per pound in the January to March quarter, up slightly from 44.8 cents in 1982. In the second quarter, broiler prices should reach 46 cents per pound, 47 cents per pound in the third quarter, and 45 cents per pound in the fourth quarter.



Eggs—production and prices to remain near 1982 levels. . .

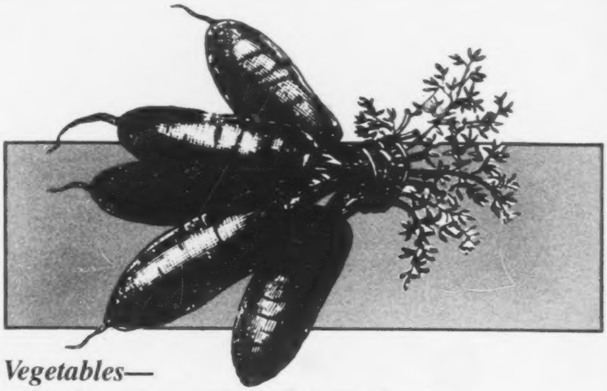
Producers are expected to remain cautious about expanding egg output in 1983 and, as a result, production will probably stay at 1982 levels. Output may decline slightly in the first three quarters but may rise somewhat between October and December if the economy shows signs of recovery and interest rates decline.

Egg prices are expected to average 67 to 73 cents per dozen this year, near the 1982 level of 70.8 cents. Prices are predicted to fall in the first half—averaging 70 cents per dozen in the first quarter and 68 cents per dozen in the second quarter. However, USDA economist Allan Baker predicts egg prices will strengthen during the second half of 1983—averaging 70 cents per dozen, up 5.1 percent from 67 cents per dozen in 1982.

Dairy—higher production likely. . .

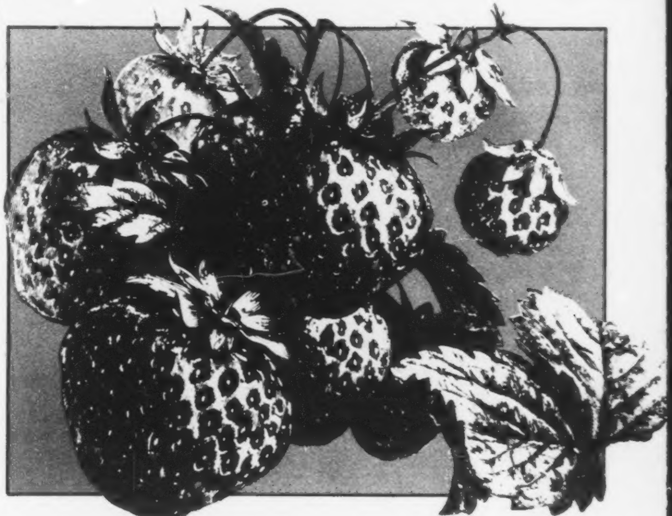
Milk production is likely to increase in 1983 and prices should remain at or near 1982 levels as there is no scheduled increase in dairy price supports this year. However, the level of output depends on the 50 cents per cwt. deduction scheduled to take effect if net price support purchases by the government equal or exceed five billion pounds of milk equivalent. This would mean that dairy farmers would receive lower prices for their milk and dairy products. On the other hand, other factors, such as low feed costs and larger forage supplies, point toward larger milk production this year.

USDA economist Clifford M. Carman predicts that if farmers react quickly to the forthcoming price support deductions and start to reduce their herds or leave the industry, production later this year could be less than in 1982, leaving total output about one percent above 1982 levels. However, if producers don't react until after the spring production period, total 1983 output will show a sizable increase over last year's 135.2 billion pounds.



Vegetables—price increases expected to moderate. . .

Total fresh vegetable production this year is expected to reach 1982's record level. In addition, the large carryover supply of processed vegetables in 1982 will moderate any price increases for most canned and processed vegetables in 1983. Also, large supplies of potatoes, sweet potatoes and dry beans will most likely result in lower prices for these commodities this year. However, such factors as the weather, the level of Mexican imports and a recurrence of the whitefly virus on lettuce crops in Arizona and California can influence vegetable supplies and prices this year.



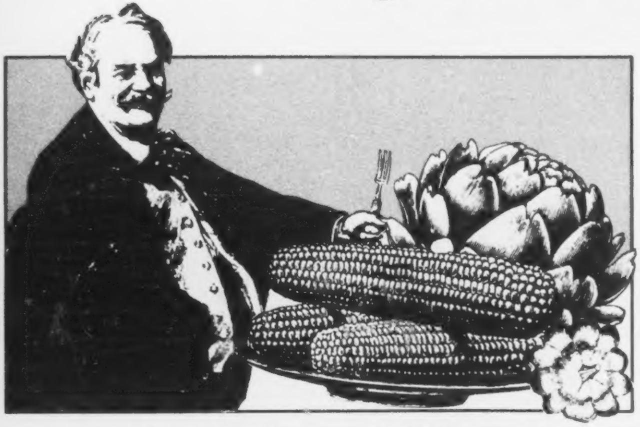
Fruit—increased supplies and slower price gains. . .

Supplies of all fresh fruit are estimated to increase this year as production of both citrus and non-citrus fruits is forecast to be substantially larger than last season. Because of these larger supplies, the weak economy and moderate increases in marketing costs, prices should rise only slightly.

Prospects for the 1982-1983 citrus crop indicate output of 13.7 million tons—a 13.0 percent increase over 1982—primarily due to the substantially larger orange crop.

The 1982 non-citrus crop should be adequate during the first part of 1983. Although production of 1982 summer crops, such as nectarines, peaches and plums, was smaller, it was more than offset by larger crops of apples and grapes.

Growing supplies, moderate price hikes brighten consumption picture



Americans should be eating more food this year. According to U.S. Department of Agriculture (USDA) projections, per capita food consumption in 1983 is expected to rise about one percent—following a three-year decline. Part of the reason for the anticipated increase are growing supplies of poultry, cereal, bakery products, fresh fruit and fresh vegetables and only moderate price increases. (See September 1982 NRA NEWS).

Although consumption of all food items is forecast to rise 0.9 percent, vegetables steal the show. Fresh vegetable consumption is projected to go up 3.1 percent.

Consumers continue to be interested in healthy foods and natural foods. Both trends boost the eating of fruit and vegetables and decrease desire for beef and pork products. Restaurant operators may want to accommodate these preferences in their menu selections.

Beef and veal consumption to decline. . .

Per capita consumption of beef and veal is expected to decline 2.5 percent in 1983 after remaining at a constant level of 79 pounds per person in 1981 and 1982. Although beef prices are expected to register only modest increases this year, a sluggish economy and continued high unemployment will contribute to lower demand for beef and veal. Ample supplies of poultry will also add to decreased beef consumption.

Pork consumption continues downward. . .

USDA projects per capita consumption of pork will continue its downward trend in 1983. After dropping 12.5 percent in 1982, consumption of pork will fall an additional 3.5 percent this year. Per capita consumption of pork reached a high of 68.3 pounds in 1980 and has steadily declined to this year's projected figure of 55.0 pounds. Lower supplies and higher prices have forced consumers to look for less expensive sources of protein, such as chicken and eggs.

Poultry consumption continues to increase. . .

Consumption of poultry on a per-person basis should continue its upward trend this year, with per capita consumption rising from 63 pounds in 1981 to 64 pounds in 1982 and 65 pounds in 1983. Plentiful supplies and relatively low prices for poultry products make this commodity attractive to consumers.

Consumers' egg consumption down slightly. . .

USDA projects per capita consumption of eggs will fall from 34 pounds in 1982 to an estimated 33 pounds in 1983. Egg prices are predicted to rise slightly this year. Price increases, along with consumers desire to watch cholesterol intake as well as competition from other breakfast foods, will hold down egg consumption.

Dairy consumption to drop. . .

The eating of all dairy products—including milk, cheese and butter—should decline slightly this year (0.3 percent), according to USDA predictions. Continued high prices—despite increased supplies—have led consumers to decrease their dairy product intake.

Fresh fruits and vegetables should be popular. . .

Per capita consumption of fresh fruit should take a dramatic turn in 1983. Following a 3.6 percent decline in 1982, consumption of these items should go up 2.5 percent this year. Last year, weather-related problems caused fruit production to drop and resulted in lower supplies. Barring unfavorable weather conditions in 1983, fresh fruit supplies—especially citrus fruits—should rise substantially.

USDA economists predict that fresh vegetables should do better than fresh fruits. They say per-capita consumption will be up a healthy 3.1 percent, rising from 287 pounds in 1982 to 296 pounds this year. Increased consumer demand for potatoes and tomato-based products will boost vegetable consumption.

Per capita food consumption*, 1980-1983

	1980	1981	1982p**	1983f***
All food	1407	1400	1393	1405
Beef and veal	78	79	79	77
Pork	68	65	57	55
Poultry	61	63	64	65
Eggs	35	34	34	33
Dairy products	308	304	306	305
Cereals and bakery products	150	151	151	153
Fresh fruit	162	165	159	163
Fresh vegetables	294	284	287	296
Sugar and sweeteners	133	134	135	138

*Pounds per person
**p = preliminary figures
***f = forecast figures

Source: *U.S. Department of Agriculture, December 1982.*

HALF BAKED

Service with a song

Although Max's Opera Cafe in San Francisco, CA, just opened in mid-November of last year, it may already be on its way to a Broadway hit. The foodservers not only serve New York-style deli treats with a smile, they serve them with a song. These singing servers, as they are called, are aspiring show people, and many have had professional training.

The performances, which take place every half hour between 8 p.m. and midnight, last about 10 minutes. They range from such contemporary hits as tunes from "A Chorus Line," to classics, such as "La Boheme," to jazz tunes.

The cafe is located in San Francisco's Opera Plaza, near the San Francisco Opera House and the San Francisco Symphony. The staff try to keep their selections timely. If a musical or opera is in town, they might perform a number from that score.

When not singing or serving, the talented staff is keeping a watchful eye on the clock to ensure patrons make curtain calls for nearby performances of operas, ballets or symphonies.

—*NRA NEWS interview*

It's a dog's life

The sign reads: "Take-out or eat in. Each item prepared fresh daily, made with all natural ingredients. Low sugar or sugarless entrees and desserts available."

But when you walk through the door, thinking of the luscious meal you are about to consume, you see tables eight inches off the ground with water bowls beside them and a room full of dogs and cats.

That's how it should be for the restaurant is Famous Fido's Doggie Deli—the newest Chicago-area gourmet establishment. Gloria Lissner, deli owner and manager, thought up this idea when customers who patronized her pet grooming shop kept inquiring about healthy snack foods for their animals.

"I immediately got to work and created Famous Fido's Doggie Cookies for dogs and cats," she says. "They are available in three flavors: chocolate chip, liver and cheese."

Because of the overwhelming success of these cookies, Lissner expanded her menu to include lunch and dinner selections, as well as an assortment of appetizers and desserts. Because she needed extra space in this new enterprise, she decided to open the Doggie Deli next door to the grooming shop.

Now owners can give their dogs and cats the kind of pampering they themselves enjoy—a haircut or manicure and lunch on the town. Entrees consist of tuna casserole with catnip, shepherd's pie, chicken a la Fido, steak and kidney in savory sauce, and veal loaf. Meals can either be eaten at the deli (where they are warmed in a microwave oven) or carried out to be consumed later in the day. For dessert, there are pupcakes topped with liver cream frosting and a variety of catnip cakes.

At the request of her customers, Lissner will cater special events, such as birthdays or obedience school graduation parties—complete with candles and party hats. And, if given one week's notice, she will supply the guest of honor with a bone-shaped liver cake.

According to Lissner, business is so good that she is considering opening up a string of Doggie Deli franchises across the country.

In an age where it seems like everything is going to the dogs, here is one way to cash in on the trend.

—*NRA NEWS interview*

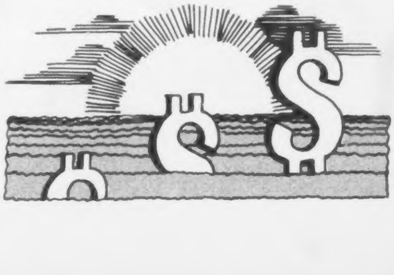
A new way to raise cash

If you need money for expansion or renovation but you don't want to pay exorbitant interest rates, perhaps you can take a lesson from Archie Casbarian, owner of Arnaud's restaurant in New Orleans, LA. Casbarian leases tables in his restaurant. The charge: $10,000 apiece for three years.

For this up-front payment, table owners receive $12,000 worth of food and liquor at Arnaud's—excluding tax and gratuities. In addition, Casbarian offers a private key to one of the bars, an unlisted phone number for reservation purposes, personal brands of liquor and wines as well as home catering—if desired and with enough advance notice. His chefs will also prepare dishes to order even if they are not on the menu.

The 10 table owners who took advantage of the lease have given Casbarian the money he needed to expand his restaurant. "I had already spent two million dollars on renovation. Borrowing additional money at the 20 percent interest rates that were available last January was out of the question. So I came up with a way of raising additional funds in an inexpensive manner. I really think it works," says Casbarian.

—*NRA NEWS interview*



Illustrations by Susan Martz

NRA SEMINAR SCHEDULE

Simplified Baking Workshop

3/7	Baltimore, MD
4/13	Syracuse, NY

Banquets and Buffets

3/9-10	Denver, CO
4/26-27	Las Vegas, NV

Bar Management

2/28-3/2	San Diego, CA
4/18-20	St. Louis, MO

Off-Premise Catering

2/14-15	San Francisco, CA
3/8-9	Austin, TX
3/28-29	Des Moines, IA
4/11-12	Reno, NV

Computers

2/14	Atlanta, GA
3/7	Dallas, TX
3/21	Kansas City, MO
4/25	Salt Lake City, UT

Controlling Beverage Costs

2/10	Los Angeles, CA
2/17	Oklahoma City, OK
3/3	San Jose, CA
3/7	Birmingham, AL
3/10	Jackson, MS
4/6	Ft. Wayne, IN
4/12	Reno, NV
4/19	Rockford, IL

Controlling Food Costs

2/28	Davenport, IA
3/21	Milwaukee, WI
3/23	Omaha, NE
4/11	Washington, DC

Controlling Labor Costs

3/14	Washington, DC
3/16	Portland, ME
3/31	Pittsburgh, PA
4/11	Philadelphia, PA
4/12	Richmond, VA

Dining Room Management

2/16	Baltimore, MD
2/28	Cincinnati, OH
3/1	Springfield, IL
3/28	Minneapolis, MN
4/6	Albany, NY
4/11	Raleigh, NC
4/16	Portland, OR
4/26	Scranton, PA

Restaurant Design and Facilities Planning

2/28-3/1	Las Vegas, NV
4/25-26	New Orleans, LA

Preparing a Successful Employee Manual

2/23-24	Dallas, TX
4/6-7	Atlantic City, NJ

Eyeing, Buying and Selling Fish and Seafood

3/28	Philadelphia, PA
3/30	Cleveland, OH

Improving Food Production Methods

4/12	New York, NY

Hiring Hourly Employees

3/21	New York, NY
3/22	Philadelphia, PA
4/18	Austin, TX
4/20	Kansas City, MO
4/25	Wilmington, DE

Kitchen Management

2/15	Baltimore, MD
2/22	Charleston, WV
3/15	Atlanta, GA
3/22	Springfield, MO
3/24	Memphis, TN
3/30	Lansing, MI
4/7	Burlington, VT
4/12	Raleigh, NC
4/25	New York, NY
4/28	Roanoke, VA

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

2/23-24	Orlando, FL

Planning and Implementing Restaurant Marketing Strategy

3/30-31	Indianapolis, IN

Practical Meat Workshop

2/22	Washington, DC
2/24	Pittsburgh, PA

Menu Development

4/18	Tucson, AZ
4/20	New Orleans, LA

Creative Merchandising Techniques

2/10	Richmond, VA
3/16	Hartford, CT
3/21	Charlotte, NC
4/21	Detroit, MI

Operational Analysis

3/7-8	San Bernardino, CA
4/27-28	Denver, CO

Basic Purchasing

4/18	Cincinnati, OH

Basic Supervision

2/22	Little Rock, AR
3/8	Atlanta, GA
3/22	Wichita, KS
4/26	Omaha, NE

Wine: Sales and Merchandising

3/1	Washington, DC

**NRA
Restaurant
Hotel-Motel
Show:
May 21-25**

NRA's 1982

REPORT CARD

It was straight A's for the National Restaurant Association in 1982. Activities and programs focused on the most pressing concerns of the foodservice industry, and it was your membership that made these programs work. Here is a sample of what the NRA accomplished last year.

A Seminars were quickly developed and offered in 36 states across the country to respond to IRS's new tip reporting requirements

A A national media campaign was organized to fight USDA's proposed changes to beef grading standards—the proposal was withdrawn

A The *NRA NEWS* developed into one of the top magazines in the foodservice industry with its unique how-to approach

A The NRA Show outdid itself—with more exhibits and programs than ever before

A National conferences brought a record number of industry leaders together to discuss key industry topics

A NRA representatives on Capitol Hill worked for industry concerns and kept a watchful eye on key issues, such as child labor laws and illegal aliens

A More than 350 seminars on 35 subjects in 70 cities across the country gave you the information you need to improve your operation

A Human Resources programs were developed to help you reduce turnover and improve productivity by building your #1 asset—employees

A NRA research publications reported industry trends on consumer decisionmaking and promotions.

A NRA's information service and library answered 7,100 questions about the foodservice industry from members, the press and students

A A trade press abstracting service was started to help you

A The *PRO-Motion* newsletter was packed with innovative promotion and merchandising tips

A Special events, such as the Great Menu contest, became even more popular

---

So that 1983 can be another banner year, make sure you're part of the straight A team. Check to be sure your renewal application has been returned. If you have any questions, call the membership department today at (800) 424-5156.

National Restaurant Association ☐ Vol. 3 ☐ No. 3 ☐ March 1983

NRA NEWS

Most Valuable Promotion Award p. 17

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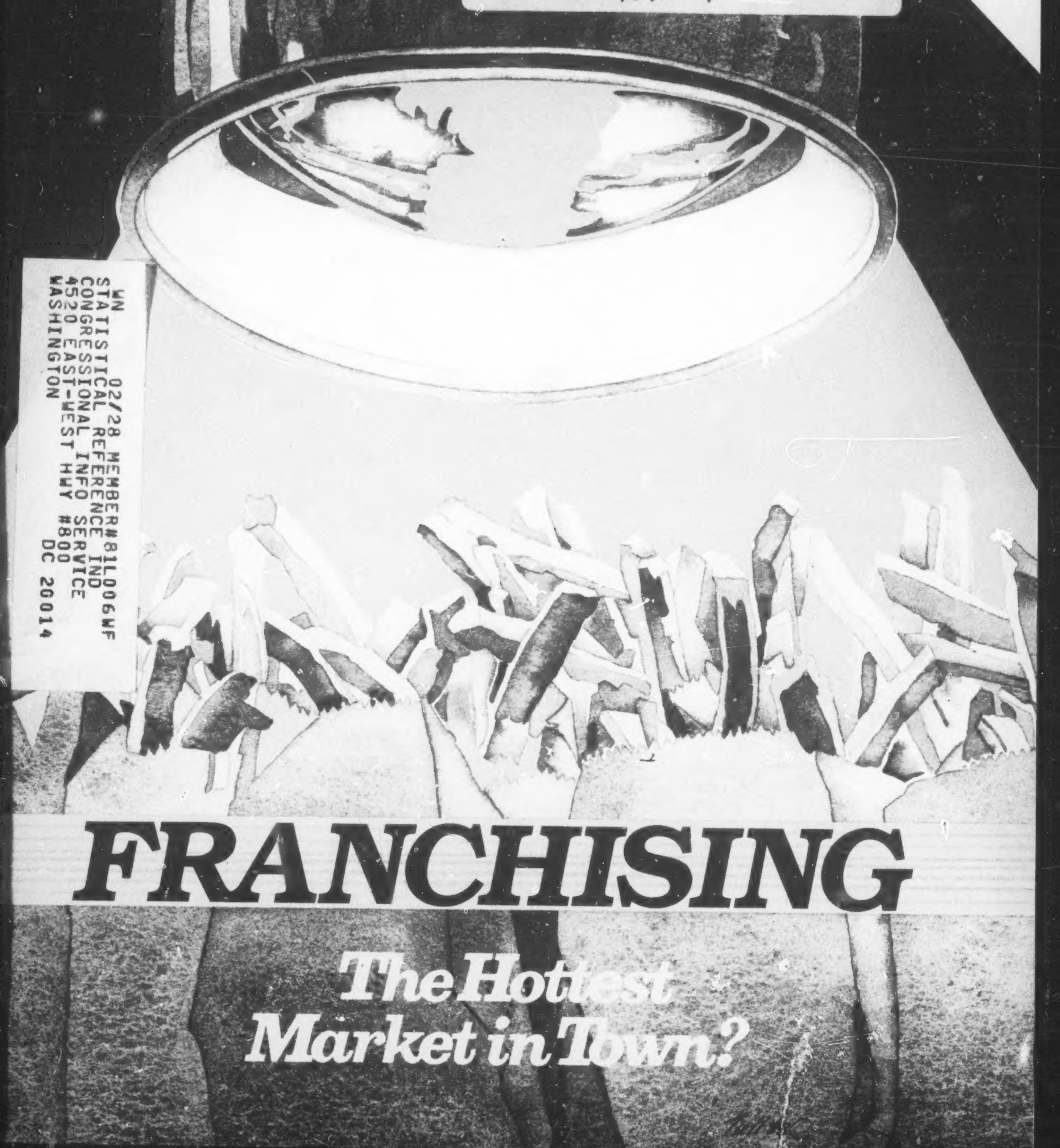

FRANCHISING

The Hottest Market in Town?

Tell NRA how tip reporting is affecting you

Last month the NRA Board of Directors established an emergency planning committee to consider all aspects of the new tip reporting legislation which went into effect on January 1—and specifically the allocation section of the law. This committee, chaired by John Cauley, president of Friendly Ice Cream Corp., will meet very shortly and recommend a course of action which will lead to relief.

We are asking for your help. We need information on how this legislation is affecting you and your employees. This data will allow us to frame solid arguments based on actual experiences. Please take the time to fill out the questionnaire you have received under separate cover or send your comments to NRA's government relations department in Washington, DC.

In the meantime, although the IRS regulations on tip reporting are burdensome and confusing, we must comply with the law as it stands. To help you deal with the regs, NRA is running 80 seminars in 37 states. Contact NRA or your state restaurant association to learn about the time and location in your area.

Also call the NRA legal and government relations departments for answers to your questions about tip reporting. *NRA NEWS* and the *Washington Weekly* will continue to carry information to help you comply with the regulations.

Please remember to send your comments. Only you can provide the solid information we can use to make a strong effort to eliminate the inequities to both employer and employee caused by this law.

Sincerely,

John G. Dankos

John G. Dankos
President

NRA NEWS

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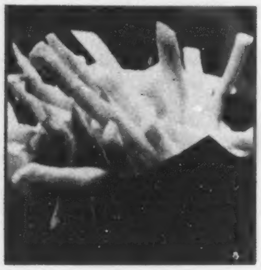

This month, the NRA NEWS looks at franchise restaurants, a major component of the eating place market and one segment that continues to hold promise for many entrepreneurs.

31	"Foodservice Trends," in its annual review, examines the performance of franchise operations both here and abroad during 1981.
5	For the entrepreneur interested in buying a franchise unit, here is a step-by-step approach. Don't sign a contract before you ask yourself the list of 15 basic questions on page 7.
12	For the restaurateur who is considering expansion, there are successful precedents. "Opening a second, third, fourth place" presents an overview of why other operators have decided to build on the success of their first restaurant.

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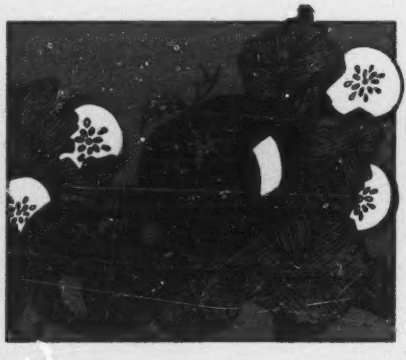


USDA beef grading roundtable

Federal beef grading standards were once again in the limelight at a recent U.S. Department of Agriculture (USDA) roundtable meeting in Washington, DC. It was the first time participants, including NRA, discussed the standards since USDA withdrew its ill-fated proposal to modify the grades last September.

NRA was represented by Albert Levie, author of the *Meat Handbook* and president of Gulliver's Restaurants in Los Angeles, CA. Levie reiterated NRA's opposition to changes in the beef grades that would allow leaner beef into the Choice and Prime grades. "By allowing lower quality beef to qualify for the higher grades, the integrity of the beef grading system would be seriously eroded," Levie said of USDA's 1982 proposal to allow some beef, currently grade Choice, to qualify as Prime.

USDA said that the meeting was called to gather new ideas about the grading system, but that it would not propose new changes any time soon. A majority of the groups represented at the roundtable—which included cattlemen, processors, purveyors and consumers—agreed that there should be consensus before any new proposals are made.

Albert Levie represented NRA at the recent beef grading roundtable.

Comments at the roundtable ranged from recommending no change to adding a new grade to considering an entirely new classification for beef. NRA called for the establishment of a new, lean grade within the small and slight marbling bands. The new grade would incorporate the lower band of the current Choice grade and the upper band of the current Good grade.

Levie said such a change would leave the current Prime grade intact for purveyors, wholesalers and restaurants that want a consistent Prime product and that the resultant Choice grade would better serve the industry because variability within the grade would be reduced.

SHORT ORDER

Marketing execs to review recession-proof strategies

If you are a marketing executive for a foodservice chain, you may want to attend the spring meeting of NRA's Marketing Executives Study Group in Scottsdale, AZ, April 17-20, 1983.

The theme for this meeting is "recession proof marketing." Highlights of the meeting will include sessions on

- how to build a recession proof marketing plan
- what works in local store marketing
- involving employees in promotions
- ways to evaluate promotions
- how to merchandise liquor
- restaging a restaurant concept
- how to use strategic planning techniques
- when and how to conduct consumer research and
- ways to advertise and promote full service and fast food restaurants.

Call Susan Mills at the NRA office in Washington, DC, (800) 424-5156 or (202) 638-6100 if you would like information about attending this meeting.

Ken Neuhauser is a restaurant critic for *The Louisville Times*, not *The Courier-Journal*, as mentioned in the November 1982 issue of the *NRA NEWS*.

Electronic data processing

The semi-annual meeting of NRA's study group for electronic data processing will take place in San Antonio, TX, April 19-22. Planned topics include POS equipment, computer security, word processing, information system planning, electronic mail and MIS budgeting.

This session is designed for those NRA members who are MIS directors, data processing managers, systems analysts, program analysts and other specialists involved with data processing for the restaurant industry.

For more information on this group or other NRA study groups, call Phil Kralovec in NRA's Chicago office, (312) 787-2525.

THE BOARD ROOM

Competition countdown for Hennessy Award

Teams of judges are now visiting the finalists for the coveted John L. Hennessy Award. This award, named after one of the country's most respected hotel restaurant executives, was developed in 1955 to motivate the U.S. Air Force to provide better foodservice facilities for its enlisted men.

Each year, the Air Force base that is judged to have the best foodservice program in the single facility category (bases having single dining halls) and the multiple facility category (bases having multiple dining halls) receives this award. A special award is also given for foodservice excellence for reserve units. This year's winner in the special category is the 440 CSG General Billy Mitchell Field, WI.

Judges visit finalists...

Finalists in the single facility category include five bases in the U.S. and one each in Guam and the United Kingdom. Finalists in the multiple facility category include three bases in the continental U.S. and one each in Alaska, Japan and Germany. NRA Director Henry Knowles (The Manor, West Orange, NJ) together with Kay Stammers (representative of the society for Foodservice Management) and Captain David White will judge finalists in the single facility category.

NRA Director Karl Ratzsch (Karl Ratzsch Restaurant, Milwaukee, WI), Edwin O'Sullivan (representative of International Food Service Executives Association) and Captain James Cox will judge finalists in the multiple facility category.

Verne Orr to speak at show...

Winners in each category will be honored on Saturday, May 21 at the Marriott Hotel in Chicago, IL—during the NRA Show. Secretary of the Air Force Verne Orr will be the keynote speaker. For tickets to this event, contact Ruth Tracy, NRA corporate secretary in Washington, DC.

(From left) Harry Knowles, Capt. James Cox, Harry Rietman and Kay Stammers discuss this year's Hennessy Award finalists and the many ways the Air Force has provided better foodservice facilities for its enlisted men.

Hennessy Award judges (from left) Edwin O'Sullivan, Harry Rietman, Capt. David White and Karl Ratzsch review the finalists in the multiple and single facility dining hall categories.

Board creates emergency planning committee on tip reporting

At its winter meeting last month, the National Restaurant Association Board of Directors reviewed projects planned for the association's next fiscal year. Each of the board's 13 operational committees heard detailed reports on projected activities in areas such as education, research, communications, human resources and government relations.

"We will continue to bring a wide variety of services to the industry," said NRA President John Dankos. "In addition, there will be several new exciting programs including hospitality seminars, several innovative national conferences and an extension of the political education program."

Board acts on tip reporting. . .

Among notable actions taken by the board was the creation of an emergency planning committee to coordinate the industry's response to the tip reporting legislation which went into effect on January 1. "This legislation is causing havoc in the industry," said Dankos. "The Board agrees that the whole concept of allocation is unacceptable. Asking operators to allocate tips is like asking me to tell how much my neighbor makes so his earnings can be taxed."

Dankos said that the newly appointed planning committee will oversee actions aimed at relieving the industry of the unjustifiable burden the law places on foodservice management.

New officers nominated. . .

The board approved the following slate of new officers:

President and Chairman of the Board: Joe R. Lee, General Mills Restaurant Group, Inc., Orlando, FL

Vice President: Harris O. Machus, Harris O. Machus Enterprises, Birmingham, MS

Treasurer: Ted Balestreri, Sardine Factory, Inc, Monterey, CA

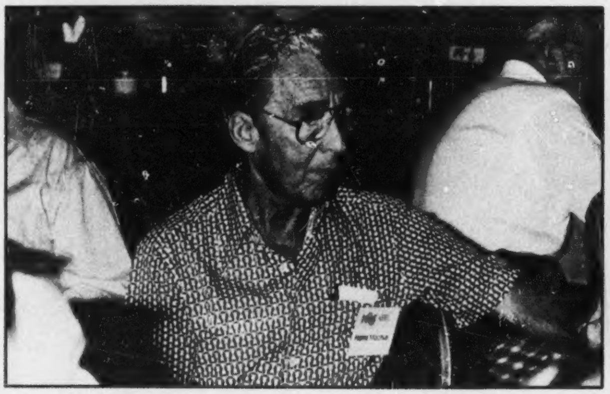
It also accepted the nominations of the following new board members:

- Thomas Monaghan, Domino's Pizza, Ann Arbor, MI
- W. W. "Biff" Naylor, Cindy's Restaurants, Los Angeles, CA
- Richard Marriott, Mariott Corporation, Washington, DC
- Nancy Dini Sullivan, Dini's Inc., Boston, MA
- William Munro, Pam Pam East, San Francisco, CA
- James Maynard, Golden Corral, Raleigh, NC

The general membership will vote on these nominations at its annual meeting during the NRA Show in May.

NRA President John Dankos reviewed projects planned for the association's next fiscal year.

John Cauley, chairman of the government relations' committee, received the board's charge to organize an emergency planning committee on tip reporting.



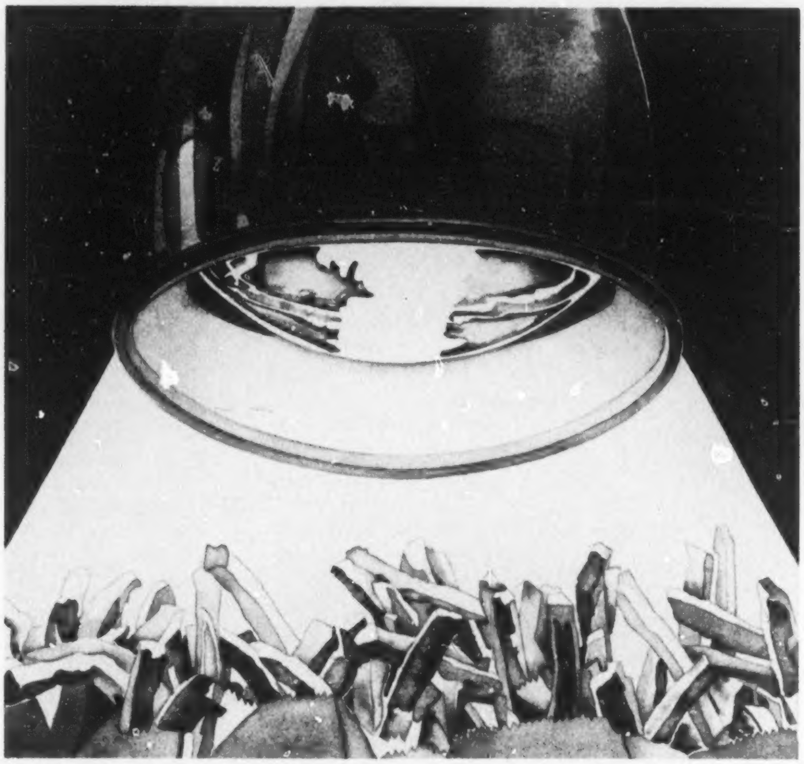
Harris Machus has been nominated vice president.

Joe Lee was endorsed by the NRA Board of Directors to be the new president and chairman of the board during the winter meeting of the board of directors.

The
FRANCHISE
Market

HOW TO BUY INTO SUCCE$$

by Kathy Boyle



Franchising continues to be a great hope for entrepreneurs. It offers a unique opportunity for people with limited capital and experience. As this month's issue of "Foodservice Trends" points out, franchised establishments represent about $30 billion—or 40 percent—of restaurant industry sales. Here are some pointers for how to buy into this success . . . carefully.

It is hard to know for sure, but experts seem to agree that franchises do have a better chance of success than other independently-owned small businesses. According to the U.S. Department of Commerce, less than five percent of franchised restaurants are discontinued each year. On the other hand, the Small Business Administration (SBA) reports that 65 percent of other small businesses fail within five years. One reason for this high failure rate, the SBA claims, is that the average small business man and woman does not have sufficient management skill. In contrast, franchise owners benefit from the franchisor's management know-how and pre-tested formula for success.

Today about 440 companies offer restaurant franchises. Operations range from fine dining to such regional favorites as fried chicken and barbequed ribs. In the last decade there has been a dramatic increase in sales for franchised restaurants—from 6.79 million in 1972 to more than 33.5 million in 1982 (nearly 600 percent). Of the 65,151 franchised establishments in operation last year, only 20,394 were company-owned. The majority—44,757—were owned by franchisees. It is no surprise, then, that some franchisors maintain waiting lists of applicants wanting to buy into their operation.

What does franchising offer?. . .

Basically, franchising is an arrangement between two parties to distribute products or services. The franchisor sells his trademark, trade name or business system for a royalty fee. The franchisee buys the name and has the right to do business under that name. Some of the typical benefits attributed to franchising are the franchisor's technical and commercial knowledge, managerial techniques, detailed financial instruction, accounting controls and other protective safeguards, such as a national advertising campaign, strict protection of the trademarked name and inspections by company supervisors.

Although this package is attractive, buying the name alone will not get you started. Besides the initial franchise fee, there often are additional start-up costs for such items as

- periodic royalties or service fees, which usually range from two to eight percent of unit gross sales
- an advertising contribution (payable annually, monthly or weekly and based on roughly two to four percent of gross sales)
- training fees (tuition/room/board, and transportation to training site)
- on-site start-up and promotion charges (some or all of which may be included in the initial franchise fee) and
- a charge for centralized bookkeeping, accounting and data-processing services.

These charges are over and above the normal costs of getting started in the restaurant business (see January 1983 issue of *NRA NEWS* for more details). What the fee does not cover, for example, is the cost of land or rent, property improvements, equipment purchases, supplies and a beginning inventory.

The franchise fee can vary widely—from as low as $10,000 to as high as $400,000. In addition, there are vast differences in what the franchise fee includes. For a Kentucky Fried Chicken franchise, for example, the franchise fee is $10,000; but average additional expenses for land, building, equipment and opening costs can come to $500,000 or more.

Training is one area where arrangements vary substantially. Expenses associated with training, such as lodging and food during the training period, may or may not be covered in the initial franchise fee. Some companies train just one person. Others train two or more. Garcia's of Scottsdale, a chain of family style Mexican restaurants, will train franchisees up to 180 days, but the franchisee pays his own expenses during the training period. McDonald's Corporation, on the other hand, not only trains its franchisees but also provides an operations manual. "Going with McDonald's took the worry and doubt out of opening. For example, when I opened, the operations manual told me what to buy down to the staples, clipboards and the desk for the office," advises John Bradshaw, a McDonald's franchisee with two outlets in Chicago.

After training, some companies send a staff member to help their franchisees. This can be a fairly long period which is cut back with the second and subsequent operations.

How do you find the right franchise?. . .

A good starting point in the search for the right franchise is the U.S. Department of Commerce's *Franchise Opportunities Handbook*. This 380-page book lists the companies that offer franchises. For each company there is a brief description of the type of operation, the decor, the seating capacity of a typical unit and the dollar figure for the franchise fee. The number of years the company has been in business is listed along with the total number of units in operation. The location of the company headquarters, phone number and the key person in the company to contact for further information is also included.

Other important information to gather are facts and figures about various types of franchises. Each year the National Restaurant Association's research and information service publishes an annual review of franchising. *Franchise Restaurants: A Statistical Appendix to Foodservice Trends* gives clues as to which types of operations are growing the fastest, sales figures and geographic trends. (Also see the "Foodservice Trends" section in this issue.) In the past five years, for example, the greatest growth has been in the Mexican and sandwich/other categories. For 1982, the typical sales per establishment were:

Steak/full menu	$729,998
Pancake	590,000
Hamburger/frank/roast beef/etc.	572,264
Seafood	423,075
Chicken	417,941
Mexican	401,624
Pizza	342,237
Donut	306,604
Sandwich/other	211,688
Ice cream	149,895

It's a good idea to consider the market penetration of franchised operations. For example, the highest concentration of franchised restaurants are in California, Texas and Ohio, followed by Illinois, Florida, Michigan and New York. Also, 13 big franchisors, with more than 1,000 units each, account for almost 56 percent of franchised restaurant sales.

Once you find the franchises that

15

Questions to ask before you buy a franchise

1. Am I qualified? Do I have a track record with my own business or strong managerial skill?
2. What is the franchisor's past practice and history? Is the franchising company experienced, successful and strong financially? Does it have a good reputation, a solid management structure and a satisfactory legal history?

appeal to you, contact the company directly for further information. Also be sure to contact a number of competitors if only for the sake of comparison.

What can you expect from the franchisor?. . .

Most companies offer a great deal of assistance and support to their franchise holders. Some companies actually do a market survey for new operators. Others help them find a site or obtain a license. Still others expect franchisees to do all the legwork, and they simply reserve the right to approve the site selection.

Most franchisors offer prototype plans for building or remodeling, but often local franchise holders must hire their own architects and contractors. "We expect they are already restaurateurs and know who builds restaurants," says Clyde Reyes of Pizza Time Theater. Special touches—even signature items—can be extra. Chuck E. Cheese robots and characters, for example, are an expense over and beyond the franchise fee.

Every franchisor is required by federal law to provide extensive disclosure to prospective franchisees. General business information about the company, its directors and officers, legal history—including legal cases pending against the company, any history of bankruptcy and funds required for initial investment as well as annual fees—must be detailed. These packets of information, required by the Federal Trade Commission (FTC), are quite detailed and provide valuable insight for the would-be franchisee. They even identify whether any products must be purchased from the franchisor. For example, often the seasonings for secret recipes must be purchased from a single supplier. Specific equipment, supplies and decor usually must conform to company standards.

What do franchisors look for?. . .

Some franchisors look for single unit operators. Other companies assign rights to the franchisee to operate all the units under the franchised name in a specific geographic area. Such exclusive territorial rights can offer tremendous opportunities. For example, in 1963 Billy Trotter, Chart House Inc.'s current chairman, obtained the territorial rights to own and operate restaurants as a Burger King franchise for the New Orleans and Baton Rouge areas of Louisiana. Just 20 years later, Chart House operates 370 Burger King restaurants and does 13 percent of Burger King's total business.

3. How are other franchisees in the system doing?

4. What is the franchise fee and what does it include?

5. How much will I pay over the life of the franchise?

6. How much will my start-up expenses be over and beyond the franchise fee?

7. What type of training and start-up help does the franchisor offer? How many employees are eligible? Who covers training costs? Is supplemental training available?

8. Is the franchise exclusive? Does the franchisor agree not to franchise others to do business in my territory, and will the franchisor agree not to conduct business in the territory assigned to me?

9. What continuing management help do I receive? Is this an additional charge?

10. What advertising and promotion will there be? At what level—national, regional and local—and how much?

11. What products, services, equipment, inventory or real estate must I purchase or lease from the franchisor?

12. Under what terms can I terminate the agreement? (How many franchises have terminated during the past few years?)

13. Can I sell the franchised business? Can I assign the franchise agreement to a buyer or a family member?

14. What are the specific terms and conditions for renewing the contract?

15. Have I asked a lawyer to review the contract?

Garcia's of Scottsdale (AZ) is in the early stages of regional franchising. "We want someone capable of opening up a territory," says vice president Wayne White. We look for people with experience in the foodservice industry and who have the economic wherewithal to make it work. If someone asked me how to do a financial statement, I'd say he wasn't who we were looking for." Johnny Miller, manager of press relations for KFC Corporation—parent company for Kentucky Fried Chicken franchises—says his group looks for an established track record or a strong managerial background. An MBA or equivalent business experience can be an added advantage.

Several franchisors have noted that investor groups are making inquiries into purchasing franchises. Elliott Schindel, president of Lettuce Patch Salad Bar, voiced what seems to be a widespread disapproval of this type of arrangement. "Once we went with a group of investors but never again," he says. "We want owner-operated units. In the investor group arrangement, communication between the manager and the investment group was poor, and we lost control. We're now attempting to buy back the unit." KFC Corporation also does not approve investor groups because it believes owners must be involved in day-to-day operations of the units to make them successful. They need to be on site to keep abreast of customer needs.

Sometimes local preferences, for example, may require that a franchisee add particular items to a menu or take some away. However, in general, a franchise owner is expected to comply with controls and procedures established by the company to maintain the chain's reputation for quality and consistency.

As this overview suggests, there is a lot more to opening a franchise than paying a fee and signing a document. That is why you must do your homework before you can try to create a name for yourself in the potentially lucrative franchising restaurant market.

"My advice to someone who is interested in getting a franchise is don't try it if you have financial problems. Be above board with the company. Remember it's hard work with long hours. It's not an easy business and it's not all gravy. You have to be willing to work," says John Bradshaw. ❑

New monitor may keep tabs on PERISHABLES

A new time-temperature monitor can take some of the guesswork out of purchasing by telling the restaurant operator what happened to the product along the way.

by Annette Kornblum

The days of having to quickly delete an item from your menu because of spoilage may be over.

Although food spoilage is a problem that can take a financial toll, it is difficult to know whether perishable ingredients have been mishandled before arriving at your kitchen door. Until now, you had to rely on trust, hoping that your distributor carefully monitored the temperature of each shipment at every stage of transport and storage.

That could all change. Thanks to a decade of research and development, a miniaturized device attached to a carton of fish or frozen pizza could take the guesswork out of quality control.

Monitor measures effects of age and heat. . .

Don't count on finding the little gizmo immediately; developers are still trying to convince processors that it's needed. But within the next two to five years, this time-temperature monitor, which measures the combined effects of age and heat, could turn up on a variety of temperature-sensitive items being stored in large cartons or transported in delivery trucks—not just food but also flowers, plastics, chemicals, paint, pharmaceuticals, film and even blood.

"An early warning system". . .

"We like to think of it as an early warning system," says Robert Rose, vice president of product development for i-Point Technologies, a Washington, DC, company that markets its monitors to food and pharmaceutical processors and one supermarket chain. I-Point's indicators range in price from three to 50 cents each, depending on design and use. Similar devices to keep tabs on perishables have been developed by Allied Corp. of Morristown, NJ, and 3-M Co. of St. Paul, MN.

"Just as open dating was a revolution, monitors certainly could be an asset to us," says John Dankos, president of the National Restaurant Association and owner of Dankos Enterprises, Inc., which includes Sarah's House of Pancakes and Steaks, a Virginia pancake chain. "You as the receiving agent would have an instrument to see that a product had thawed and would know that you shouldn't accept it."

Conventional open-dating methods, which assume a product is kept at proper temperatures throughout the distribution cycle, can be meaningless when orders sit on an unrefrigerated loading dock in 90° temperatures, are victimized by a freezer that goes on the blink, are overloaded in packing cartons or are neglected by a driver who turns off his refrigerator to conserve gas.

Problems can develop at any point. . .

A problem can develop at any point—in a packing house, in transit, while a distributor is en route to a restaurant or at the restaurant itself. "The problem boils down more to people than equipment," says Charles Wish of the Washington Fish Exchange, a seafood distributor. "A strip would let the end-user know what happened to the product. This sounds like a good idea."

The monitors change color in response to a biochemical, chemical or physical reaction whenever the temperature of a product exceeds a certain level for too long. Apparently, that happens more frequently than is generally realized.

"It's not unusual to have 20 to 30 percent spoilage of perishable products a year because of mishandling," says John Farquhar, vice president of education and technology at the Food Marketing Institute (FMI), a Washington, DC, association representing supermarkets. In an attempt to counter these statistics, some FMI members are using monitors on an experimental basis.

Rich Products, a Buffalo, NY, processor of various frozen specialty foods, has used the monitor for four years to spot problem shipments of bread dough. "They're a very valuable tool because the truck driver knows you're monitoring him, so the load gets there in good shape," says Bill Boucher, Rich Products quality assurance corporate director.

Distributor reduces damage claim. . .

Anthony's Fish Grotto, a seafood restaurant in San Diego, CA, had so much trouble with scallops distributed by a Massachusetts company four years ago, that it stopped doing business with them. But in the two years since it began using the monitor on air shipments to California, the distributor has eliminated 90 percent of its damage claims.

Although few foodservice operators can exert control over how their suppliers ship their products, those with more buying power or with high volumes have a stronger voice. Several such restaurants and fast food chains have expressed interest in the device, among other options, to improve quality control.

Red Lobster has yet to be convinced that monitors are the ideal approach—they lean more toward recording thermometers which register temperature changes but are considerably more expensive than the monitors. But the company also hasn't closed the door to the use of monitors.

"If the industry would use monitors for inbound shipments, we would like the added advantage," says David Hetterly, vice president of quality control for General Mills, parent company of Red Lobster. "Right now you're just relying on your senses."

Similarly, Jerrico Incorporated, the parent company of Long John Silver, has mixed reviews for the monitor. "The future looks good," says Don Chiavetta of Jerrico, "but it hasn't proved itself."

Skeptics fear misuse. . .

Skeptics seem particularly concerned about potential abuse and technical difficulties. "They (the monitors) scare me. How do you know when it went red?" asks Hugh Symons, vice president of research and technical services at the American Frozen Foods Institute, a trade organization representing the frozen food industry. It's a risky business. What if a restaurant overorders six cases and only wants two? They could put their thumb on the indicator and send the whole shipment back."

But Rose of i-Point Technologies retorts that deadbeats don't need a monitor to reject orders. "They could do it without the indicator. If they overstock, or something went wrong, the guy who sent it has to eat it. That's nothing new. The indicator isn't going to make any difference. That's life in the fast lane," says Rose.

The more basic question, according to Farquhar of FMI, is whether processors and restaurants want to invest in a moderately-priced device that may help to identify weaknesses in the complex distribution system. ❑

MOTIVATION

An employee/management partnership

by Elaine Gagne

President, Elaine Gagne Management Consultants

☆ A team of chefs discussed food wastage and developed new recipes to use leftovers the next day.

☆ A team of waitresses looked at the problem of soiled creamers and found a new location for creamer storage.

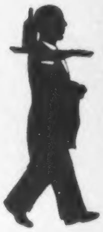
☆ A team of managers examined menu offerings and created a new line of ethnic dishes.

These are just some examples of how project teams have increased productivity in both small and large foodservice operations. This article discusses how to make project teams work for you.

☆ ☆ ☆

Productivity, the measure of net output per person-hours, is one of today's critical issues. The key element in productivity is to turn employees on to turning themselves on. This requires a new look at management and a new look at the roles that employees play in the general operation and success of restaurants and other business operations.

Managers hold the key to productivity. Any manager who still sees himself or herself as controlling other people is operating on a false assumption. Contrary to common conditioning, people cannot be controlled; they can only be influenced. People can be moved to do something by promise of reward (bribe) or promise of punishment (threat). As soon as the bribe or the threat is removed or reduced; often, so too is the desired behavior. This is the basis of the "cat's away, mice will play" syndrome.



How to motivate your employees. . .

But, and here is the crux of the matter, if you influence your employees to turn themselves on, then they are self-generating contributors to the good of the entire operation. How do you do this? Although money and recognition are important factors, they do not motivate people as much as keep them from being unhappy in their jobs. Much more effective motivators are giving people

☆ an opportunity to achieve
☆ a sense of responsibility
☆ an opportunity to grow both professionally and personally
☆ a creative challenge and/or
☆ a sense of involvement.

One effective way to incorporate these motivators into your foodservice establishment is to organize project teams. Project teams are small groups of employees who meet on a regular basis (usually on company time) to see what can be done to improve their area of work for themselves, for the company and for patrons. Usually these teams consist of individuals with similar work responsibilities, such as chefs, managers or wait staff.

These groups are important for building team spirit and a positive work attitude because they break down the "we" and "they" barriers that sometimes exist between management and employees. By increased communication between management and staff, project team members develop a personal stake in the restaurant's problems and solutions. Employees feel that they are part of the operation, that they make a difference. In addition, project teams can be an excellent training vehicle. As employees learn new problem-solving and management skills, they become more valuable workers and increase their potential for upgrading. This involvement reduces expensive turnover and leads to increased customer satisfaction and good public relations for your operation as employees talk about how happy they are to work at your restaurant.

Begin with a pilot team. . .

How do you start project teams? Begin with a pilot team. Invite five to seven people who are involved in similar jobs, such as wait staff, dishwashers or managers, to meet for one hour, two times a month on company time. Choose only those employees who show an interest and express a willingness to participate on the team for at least six months.

Appoint a leader or ask the group to name a leader. The leader must be respected by team members. The leader can be a member of the management staff, but the closer that person is in rank and responsibility to the members of the group, the more effective he or she will be as a team leader. For example, in a team of wait staff, the leader might be a maitre d' or hostess or could be a waiter or a waitress who has leadership potential.

The leader must have group process skills and should be able to involve all members of the team, stick to the point, develop an agenda, use creative thinking techniques (such as brainstorming), build consensus and follow through on decisions. If the leader does not have these skills, you can hire someone who specializes in group work to train the staff leader and work with the team during the first few sessions.

Use the first meeting of the team to break the ice. Allow team members to become acquainted with each other and with the purpose of the group. Be sure that the group understands it has the support of management and that its focus is to improve the operation and provide personal development for the team members. It should be made clear that these meetings are not intended to be gripe sessions but constructive get-togethers where the objective is to come up with more satisfactory techniques for getting the job done.

After the first meeting. . .

Once the team members are comfortable with each other and the group process, the team should begin by looking at the restaurant from the customer's point of view. The group should consider what customers have praised or complained about—what is going right that needs to keep going that way or what needs improvement. Generate "best feature" and "complaint" lists by using brainstorming techniques. (See the box that accompanies this article.)

The next step is to set priorities because the group can't work on everything at once even though everything may seem important. The group must pick and stick to one area at a time. Once the problem situation or area has been identified, the team should involve other restaurant employees who might be important to implementing a solution. For example, if a group of waiters and waitresses is discussing a problem of lukewarm soup, then someone from the kitchen staff should be present during the solution phase of the brainstorming session. Not only does this increase the practicality of the solutions but it also increases employee understanding of other jobs in your restaurant.

Once a solution has been agreed upon, the group should present its recommendation or goals to management. It is up to management to respond to the recommendation by either accepting, rejecting or returning it to the group for a revision.

If management accepts the group's recommendation, the next step is for the team to establish guidelines to accomplish the group's goals. These guidelines should be realistic, understandable, measurable and obtainable.

As soon as possible, the guideline should be set in motion. At every subsequent meeting thereafter, the leader should report on the progress of the group's recommenda-

tion. If a recommendation involves member input, each person should discuss individual progress and be recognized by the group. The team should give each person feedback.

If a recommendation has been found to be unworkable once it has been turned over for implementation, goals should be re-established until a workable solution is found. Only after the recommendation has been successfully implemented, should this cycle start again.

The process is more important than the results. . .

Some problems can be taken care of in a single session; others may require some additional information. Sometimes just taking the time to evaluate procedures or job responsibilities is enough to suggest some very workable changes. For example, one restaurant solved the problem of soiled creamers by first bringing it to the attention of the team, which then analyzed and discovered that the location of the creamer storage area needed to be changed. They saved the restaurant time and money and gave the team a very real sense of accomplishment.

The process of people working together is actually more important than what they work on. Once a foodservice operation starts a project team, management notices changes in other seemingly unrelated areas. At the very least, people start paying more attention to their work.

For project teams to work, management must support this technique and must give teams a priority status. Only in this way will they seem to be important and can they create a sense of achievement and challenge.

In sum, project teams give employees a feeling of control over their work situation and a sense of involvement, responsibility and achievement. In a decade where productivity is a major management concern, project teams can help influences employees to motivate themselves. ❑

Editor's Note: *For other ideas on how to motivate your staff, attend the NRA seminar "Motivation: increasing the desire to do more and better work." The seminar will be held in Denver, CO on May 3; in Chicago on May 22 (during the NRA show) and on June 1 in Boston, MA.*

Brainstorming: How to find creative solutions to problems

Brainstorming is a problem-solving technique, designed to take away the normal constraints people place on themselves when they try to find solutions to problems. For a specified period of time—generally about 20 minutes—people are encouraged to keep the ideas coming, no matter how farfetched they seem. Although at first people may be inhibited and give their stock responses to a problem, before too long they run out of those ideas and begin coming up with new ones.

One reason that brainstorming works so well is that no evaluation takes place until after the group has exhausted its stream of ideas. In other words, no comments are made and no questions are asked about ideas or suggestions during the free-flowing part of the brainstorming session. Comments and questions tend to focus too much attention on one particular suggestion and to interrupt the flow of ideas.

Evaluation—key to finding solutions. . .

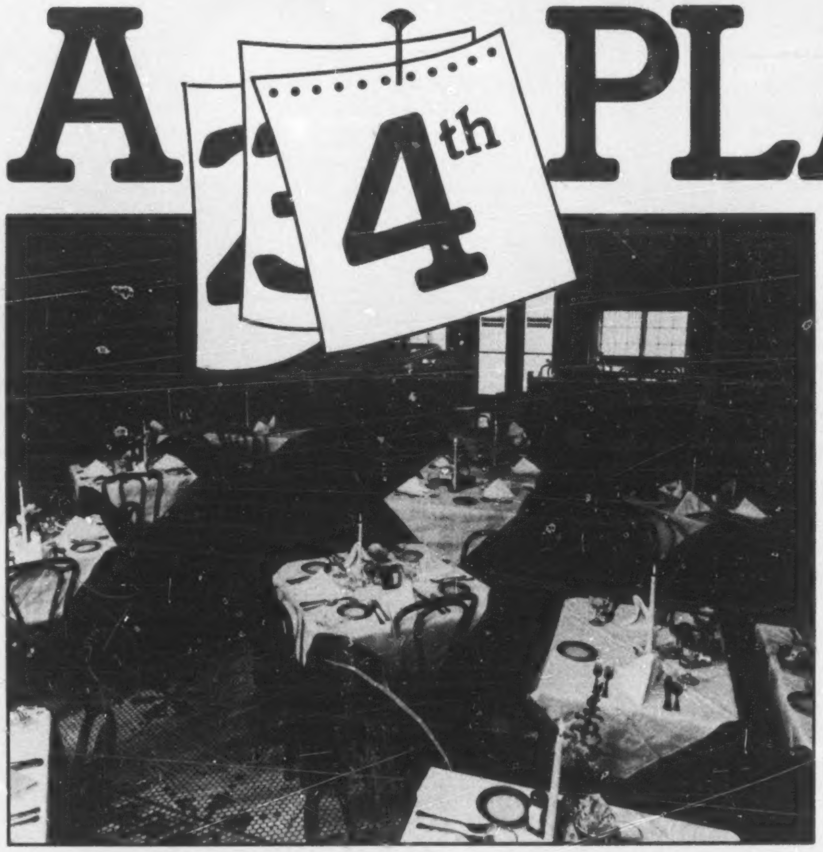
Once all the possibilities are out before the group, it is time for the evaluation step in brainstorming. This is the time to talk through all the ideas—to ask people to explain what they mean—and to consider all the working constraints, such as time and technical limitations.

The leader of the group, who is almost invisible in the first stage of the process, now helps to sift out the feasible ideas from those that are not. One way to proceed is for the group leader to ask each person to state advantages and disadvantages of all ideas, including his or her own. This helps cut down on emotional attachment to ideas and builds group consensus. The leader should keep track of all the pros and cons for each possibility and then weed out those ideas that are not feasible alternatives. Further discussion will point to one or two likely solutions. These are the ideas that should be presented to the restaurant owner or management staff for review.

Other pointers to consider when you hold a brainstorming session

- Write down all suggestions on a blackboard or flip chart to remind the group what has already been said and to stimulate new ideas. If you use flip charts, pin the filled-up sheets around the room because it is important to keep all the ideas before the group.
- Never erase an idea.
- Encourage people to modify each others' ideas. If one person says "new menus" and another person says "clip-ons," write down both. This may help refine ideas in the evaluation stage.
- If there is a pause during the flow of ideas, the leader should restate the problem and remind people that every idea is useful, no matter how farfetched.
- If there are people in the group who naturally dominate meetings, you may want to ask participants to jot down ideas on a pad of paper for a specified period of time—say five minutes. After the time limit, ask them to pass these ideas to the group leader. The leader should write these ideas down and put them before the group so people can get ideas from each others' suggestions.

OPENING A 4th PLACE



Pleasant Peasant Dining Room in Atlanta, GA.

In these days of tight money, many successfully established restaurateurs are starting an expansion program. Here are some reasons why.

It's a big decision to start a second restaurant. Many factors have to be considered. Is the time right? Where should it be located? How should it be financed and managed? Should it be a replica of the first successful operation or should it be completely different? As *NRA News* discovered, these are some of the questions restaurateurs review when they consider expansion.

Seeking a challenge. . .

Dominique D'Ermo, owner of Dominique's, a 10-year-old, upscale French restaurant in Washington, DC, opened his second restaurant on January 1 of this year in Miami Beach, FL. "Once your organization is set up and the business is well organized, it gets boring to stay in the same place and do the same thing, he says. "I wanted more of a challenge. I also wanted to be in a nicer part of the country, so I chose the beautiful weather of Miami Beach."

Other restaurateurs who have successfully opened second restaurants also look for more challenge—whether it's a move from a luncheon to a dinner business, from one type of cuisine to another or simply the challenge of opening another operation on the other side of town or in another city. "I think restaurateurs try to fill in the voids. If you see there is a need, you build a restaurant to satisfy the different markets," says Arnold Morton, president of the Morton Management Group, which owns seven restaurants in Chicago, each different from the other.

Sometimes a restaurateur only wants one other place, but often the second operation leads to others. One case in point is Monolith Enterprises, which began when three college students decided to build on the success of their sandwich shop, Blimpie's. They wanted something more sophisticated and developed a restaurant concept called American Cafe, based on croissant sandwiches. Monolith's first restaurant opened in 1977. Their second restaurant opened two years later. By 1990, the corporation plans to operate 99 restaurants in three Eastern seaboard cities, with projected sales topping $50 million a year.

Because Monolith Enterprises had expansion in mind from the very beginning, it hired a large management team that could be trained and transfered to new locations. It also created a central kitchen to assure quality control. Here food items are prepared fresh daily and then shipped to the individual units.

Although the American Cafe uses the same name and the same menu in all of its locations, the decor differs from one restaurant to another. "We have a mold, and each one is turned out of the mold. But each one also has its own individual character," maintains Christine Britton, director of administration for Monolith Enterprises.

Building on success. . .

Sometimes a restaurant concept is so on-target in a given market that it seems to take on a life of its own and grows effortlessly.

Steve Nygren and Dick Dailey, the major principals of The Peasant Restaurants, have seven operations in the Atlanta area. They began in 1973 with a restaurant called the Pleasant Peasant. A year later, when developers approached them and asked them to open another restaurant, they opened the Peasant Uptown.

"The critical turning point for us was after we opened Public House, our third restaurant," Nygren remembers. "At this point, we had to decide whether to keep the three as 'mom and pop operations' or set up a corporate structure with a real growth plan. We decided to keep growing. Because we had one to two hour waits every night of the week at our restaurants, we realized that there was a real need in Atlanta for casual dining with quality food and service that before our restaurants had only been available in more expensive operations." The Peasant Restaurants' eighth restaurant is scheduled to open in Washington, DC, this June.

Each of the Peasant Restaurants is committed to serving gourmet food in large portions at reasonable prices. The name, decor and menus differ from place to place, however. "We wanted our customers to be able to enjoy a different dining experience at each of our restaurants, and we don't want a 'chain image,'" Dailey adds.

After making the decision. . .

In addition to developing a menu and choosing a location and decor, restaurateurs must consider how they will finance and manage the second operation.

Financing is usually easier the second time around. Banks are much more willing to consider loaning money for a second restaurant, because a successful restaurant makes excellent collateral.

Alternative financing is also possible. When the Pleasant Peasant Restaurant opened, owners Nygren and Dailey said they used profits from one day to buy food for the next. But when developers saw the customer traffic, they realized these men had a formula for success. So they approached them with financial contributions for the second and subsequent places.

The Monolith Enterprises, Inc., on the other hand, obtained financing from several different sources, including loans from the Small Business Administration, conventional bank financing, equipment leasing, landlord participation, equity capital and, of course, the company's own profits.

Management also differs from one operation to the next. When the Goodman brothers, owners of My Brother and Me in Washington, DC, made plans to open a second operation, they decided to keep as many faces as possible in the first restaurant. This, they reason, will help maintain continuity, as the brothers plan to spend their time managing their new operation. Even here, they are doing their best to hire back former staff who left because there was no room for growth. "We're fortunate that we can take a lot of people who worked for us in the past and offer them supervisory positions in our new restaurant," Craig Goodman explains.

> "You should make very certain that your first operation is working as perfectly as possible before you leave it."
>
> —*John Dankos*
> *NRA President*

Unlike the Goodman Brothers, Dominique D'Ermo divides his time equally between his restaurant in Washington and his restaurant in Miami. D'Ermo has a Washington manager and a Miami manager to fill in for him when he's not there.

NRA President and Chairman of the Board John Dankos took a different approach when he first began expanding his pancake chain, now a part of a larger operation called Dankos Enterprises. When he opened his second operation, he decided to spend all his time at the second operation and to hire a manager in the first. He repeated this procedure when he opened his third restaurant.

"You should make very certain that your first operation is working as perfectly as possible before you leave it," Dankos cautions. "It's most important to teach your employees your policy and what you expect. For me, it's important to touch my customers' hands and show them I am there to meet their needs."

Larger operations with expansion in mind, such as Monolith Enterprises and the Morton Management Group, have a structured training program to build skilled managers. Morton adds that it's comparatively easy to staff and buy for a limited, high-quality menu.

Benefits for the original restaurant. . .

The first restaurant can benefit from your expansion plans. Some of the benefits include more customer traffic—the result of a bigger advertising budget and greater exposure. It's also possible that people who would not have known about you in the original location will seek you out because they have been to your second restaurant.

Although the Miami location of Dominique's has only been open for a couple of months, for example, Miami customers are already visiting the Washington location when they travel north.

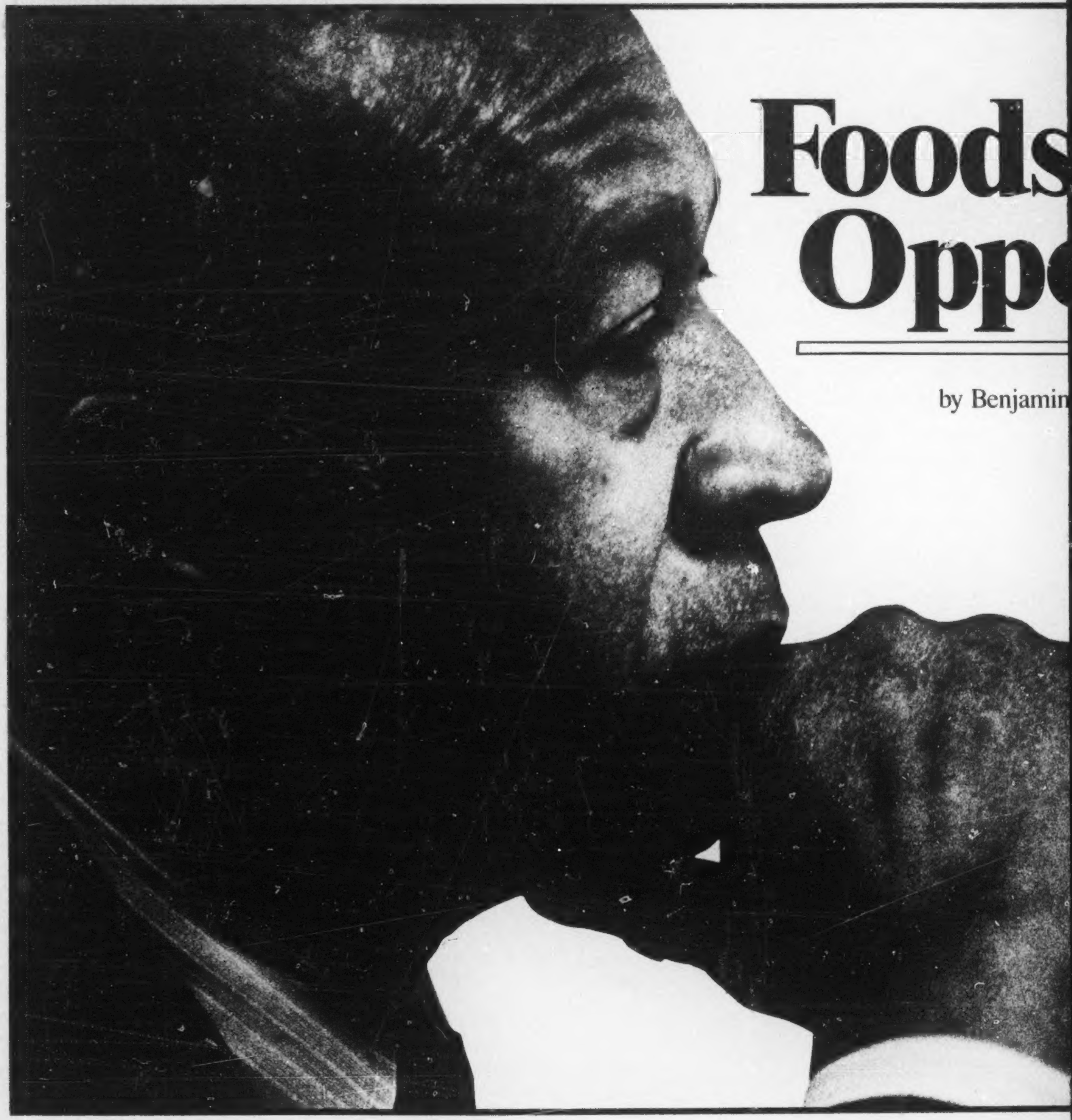
Steve Nygren also found that the second Peasant Restaurant—the Peasant Uptown—increased business at the Pleasant Peasant by six percent. "With each new operation, we expose ourselves to more people, many of whom will then try our other restaurants," he explains.

It's hard to stop growing. . .

Once the expansion fever seizes you, it's hard to break away. After developing seven restaurants in the Chicago area, Arnold Morton opened a Washington, DC, restaurant last November and already is thinking about moving to Atlanta or Dallas. "I think there's a market for a great restaurant like Morton's in every city," he boasts.

—Carol Caprione

Profile of black restaurateurs



Foods Opp

by Benjamin

"Hard work and enthusiasm will overcome just about any obstacle," maintains Ernie Royal, NRA board member and owner of the critically-acclaimed Royals Hearthside Restaurant in Rutland, VT. He is one of five black restaurant owners and managers profiled in this article.

ervice— rtunity for everyone

Lay

On a clear day, according to local legend, you can see seven states from Lookout Mountain's famous lofty heights. Along with Mother Goose Village, an amusement center for children, and a self-guided tour along a nature trail that includes natural rock formations, tourists who come to Tennessee's Rock City Gardens have more than enough attractions to fill their day.

To keep the belly full, there's the equally famous and delightful Rock City Restaurant. Its fudge cake is renown and the southern fried chicken brings people in from miles off the interstate highways, boasts manager Grady Foster.

Making a dream happen. . .

Foster, who is black, is one of a growing number of black professionals to make inroads in the foodservice industry in recent years. Now manager of 23 workers at the restaurant owned by Rock City Gardens, Inc., he literally worked from the bottom to the top.

After graduating with a degree in chemistry from Johnson C. Smith College, Foster joined the Air Force in 1950 and attended its baking school. He managed the bakery at an Air Force base in Greenland and then attended the University of Paris baking school.

Seeking a career in foodservice, Foster came to Chattanooga. His friends warned that the Southern industrial town had no prospects for a black man. "I figured nothing from nothing leaves nothing, so I stayed," Foster happily recalls.

He took a part-time job as a waiter in a family-owned coffee shop which occupied the Rock City Restaurant site. When the coffee shop was enlarged and sold to Rock City Garden, Inc., Foster's responsibilities also grew. He was promoted to night manager and then assistant manager. During off-hours he moonlighted as a buffet manager with another local club and became the Joseph Schlitz Brewing Company's first black sales representative. Foster also found the time to become active in the National Restaurant Association and was the first black president of the Chattanooga Restaurant Association and the Tennessee Restaurant Association.

"If you want it, it's there for you," Foster says to youths interested in foodservice careers. Sometimes, he adds, the message is hard to get across because young blacks have a negative image of the industry. "We must point to the successful minority businessmen to show these young people that the opportunity to advance beyond the menial tasks really exists," he says. Industry representatives, associations and successful minority businessmen should be encouraged to meet with students and counselors at career day events in high schools and colleges.

A franchise success story. . .

In 1970, James Bryan and Paul Jackson, two Richmond, VA, high school dropouts, performed a miracle of sorts when they opened up a McDonald's franchise in that town. After going over the idea with a local civic group, the Task Force for Renewal, Urban Strategy and Training, and the Richmond office of the Small Business Administration (SBA), the two approached the McDonald's regional office in Bethesda, MD, with their plans.

The corporation asked Bryan and Jackson to come in for interviews and to take on trial work at several McDonald's operations. After these trial assignments, they came to Washington, DC, to study McDonald's operations and management policies. The Small Business Administration gave them a loan so the two could buy property in the eastern section of Richmond. More money was lent by two local banks and a white Richmond city councilman who was interested in helping the two.

Bryan said that the relationship with McDonald's "has been excellent. Any time I have a problem, I simply contact a regional representative and get it straightened out. If a store is not successful, the fault lies with the management—not with McDonald's. The parent company does all it can to see that each operation is successful."

Destined for success. . .

Other black restaurateurs have also realized their dreams in franchise operations. Joe Kennedy is a leading man in a franchise operation he helped to originate, Chicken George Chicken. He is vice president for marketing affairs with APS Corporation in Baltimore, which also operates several cafeterias.

Kennedy sold APS on his ideas, and the corporation agreed to go into partnership with him. There are presently eight Chicken George Chicken outlets in the Maryland-Washington area and plans for other outlets are on the drawing boards.

Overcoming obstacles to win national acclaim. . .

Ernest Henry Royal, owner of Royals Hearthside in Rutland, VT has proven that hard work and vision do pay off—despite obstacles. When

Royal left high school, he took a job at a Beacon Hill restaurant in Boston because "I got a chance to eat," he remembers. "Once on the job, I saw the restaurant industry as a chance for opportunity." Soon Royal worked as a dishwasher, busboy, cook and chef—saving his money to open a restaurant.

When he had $1,500, Royal bought his own place in the Dorchester area of Boston. He bought used equipment and kept the overhead very low. But there was no skimping when it came to the food. The restaurant quickly won a following for its delicious fish and barbequed chicken. "We went over very well," Royal says of his Boston days. "I had a reputation around town as a very good cook and we had the place packed every day for lunch. We even got into catering."

A chance to expand came when the business in the adjoining building decided to sell out. "It seemed the logical move to make (the expansion) since we were doing so well," he says. But the bank turned down his loan application. Royal was appalled. "The bankers ate every day in the restaurant, and they could see the potential if we expanded. To think that they wouldn't lend me money just because I was black was just too much for me to take."

Stunned by the bank's refusal, Royal and his wife took a vacation to Vermont. While in Rutland, they visited a restaurant where Royal had once worked as cook. The restaurant's owner offered to sell the establishment to the Royals.

"I looked over the building and, to be honest, it was in very bad condition. It needed extensive repairs and remodeling. I offered him the first price that came to my head. He accepted, and we bought it," Royal recalls.

After the remodeling, the Royals opened a white tablecloth establishment because, says Royal, that's what the area would support—not a soul food restaurant. Royal featured an authentic New England menu, including roast prime rib, New England clam chowder, deep dish apple pie, Indian pudding and broiled fresh Boston schrod plus such delicacies as Chateaubriand with bernaise sauce. Royals Hearthside Restaurant became so well-regarded that it won national acclaim. Last fall Cornell University asked Royal to bring his fine cuisine and a bit of his restaurant's atmosphere to Cornell as part of the school's cross-country gourmet program.

Would Royal encourage other young blacks to work their way up the ladder to success in the foodservice industry? "Absolutely," he exclaims. "Hard work and enthusiasm will overcome just about any obstacle." ❑

TEN Initial Steps for making your dream happen

1 Organize . . . When you go to a bank for a loan, be prepared. You won't last 10 minutes with a loan officer if he sees you don't know what you're talking about. Do your homework. Talk with other restaurateurs who've opened businesses and find out how they did it. Find out all you can about the restaurant industry before you go to a lending institution and have the data, on paper, on how you expect to make a profit.

2 Establish a good personal financial background . . . You only improve your stock with a lending institution if your personal financial background is good. Establish good credit. A long personal history of saving and paying bills on time is impressive.

3 Don't expect a profit your first year . . . This is a general rule throughout the industry. Make sure you have a sound financial base to cover operational costs for at least the first 12 months.

4 Do a market study . . . Careful research should be done on the income levels of your potential customers before opening. Price your menu items according to what they can afford to pay.

5 Know the customers' eating preferences . . . If your potential market is primarily black, the typical "soul food" items, such as greens, barbecued spareribs, biscuits, etc., may be acceptable. If not, the entrees should reflect the dining habits of the people in your target area. "You wouldn't go with soul food in a small town in New England," says Ernie Royal.

6 Choose a good site . . . Consideration should be given to parking, visibility, attractiveness and customer seating space. Neighborhood safety should also be considered.

7 Keep the restaurant clean . . . This is an obvious rule, but one that can't be emphasized enough. Customers remember dirty tablecloths and silverware. You don't want your establishment to be known as a "greasy spoon."

8 Advertise . . . This is another obvious rule, but one that many small restaurants, including many black ones, fail to heed. A certain percentage of your profit should go for advertising. You can't grow and increase the amount of customers by word-of-mouth alone.

9 Hire and train a good staff . . . From dishwashers, to cooks, your staff's work is highly visible to your customers.

10 Be prepared to work long hours . . . Most people who go into business for themselves work well beyond the typical eight-hour day, and the restaurant industry is no exception. One Small Business Association manual says the ingredients for a successful business venture include "one part inspiration, one part preparation and one part perspiration." ❑

PROMOTIONS are your lifeblood

In looking forward to 1983 Most Valuable Promotion (MVP) Awards, sponsored by Pepsi-Cola Company for NRA, here's a recap of four of the nine previous grand prize winners.

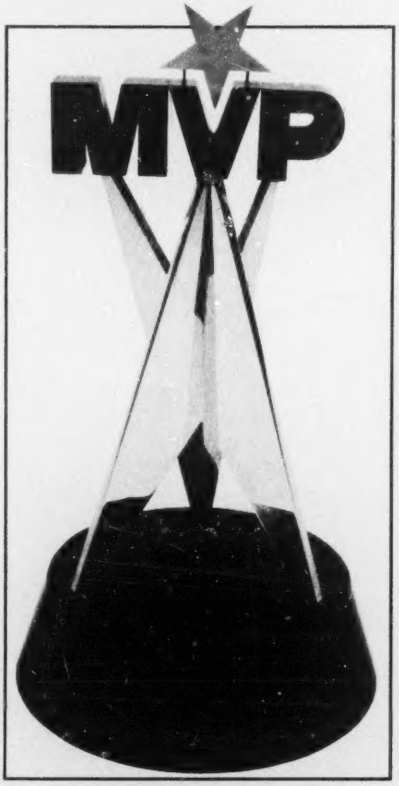
Promotions have long been a basic tool for the foodservice operator to use in attracting the food-away-from-home dollars. But in today's economic environment, promotions have become even more significant in building short-term sales and long-term customer loyalty.

To recognize promotional prowess, in 1972 the Pepsi-Cola Company established the Most Valuable Promotion (MVP) Awards program, which is now sponsored for the National Restaurant Association. The Grand MVP Award winners, symbolic of the promotions judged the best of the best each year, serve as inspiring examples to other foodservice operators. (For further details on this year's competition, see the accompanying box.)

A community service campaign also builds sales. . .

Last year's Grand MVP winner turned a community service campaign into a big sales builder. Boddie-Noell Enterprises, a Hardee's franchisee group headquartered in Rocky Mount, NC, raised $34,000 for the Virginia Special Olympics and simultaneously increased sales 30 to 45 percent.

The promotional program included a coupon drive, a food tie-in fundraiser as well as volunteer work. The promotion began with the distribution of 25,000 coupons (Hardee's "donation dollars") to volunteers for the Virginia Special Olympics. Over a one-month period those volunteers sold the coupons to customers throughout the state. The coupons were redeemable at Hardee's during the following three months.



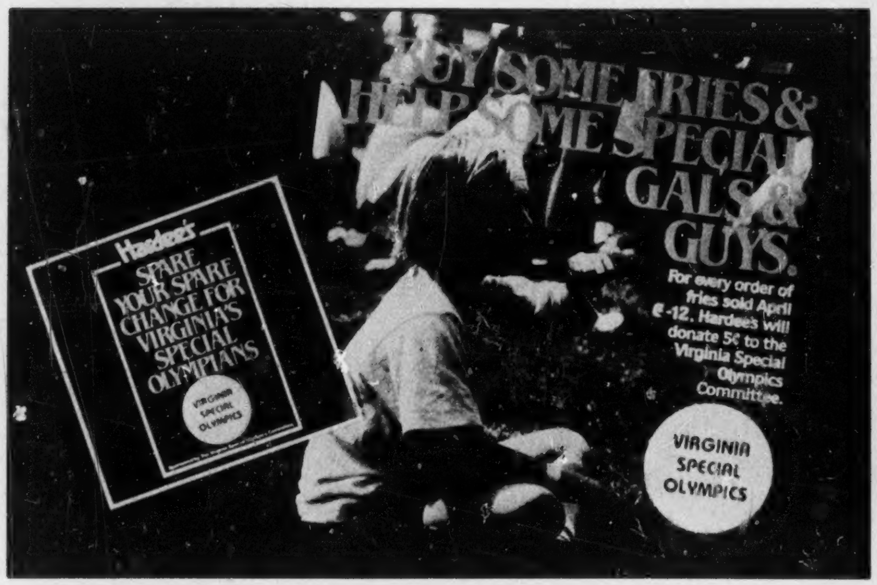
Over a three-day weekend Hardee's also conducted an additional fundraiser, donating a nickel to the Special Olympics from each french fries sale. Spare-change canisters were also placed on counters. As a further gesture of its personal commitment to the campaign, more than 100 employees and their families served as volunteers for the Summer Special Olympics Games.

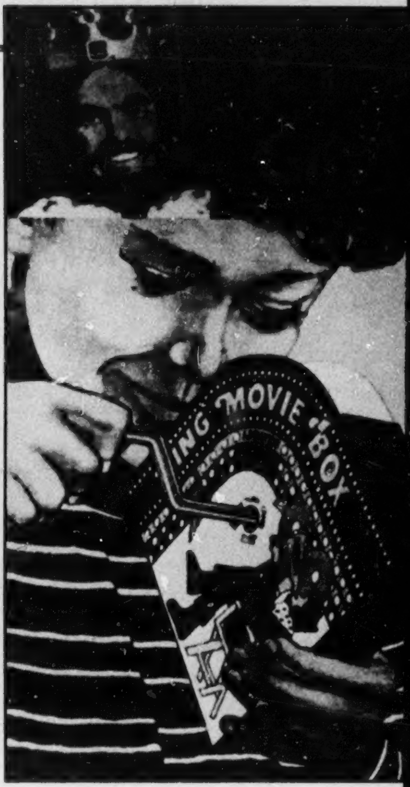
Hardee's advertised the program with a 30-second TV commercial, 30 and 60-second radio spots, and a 10-second public service TV announcement. Point-of-sale materials also were used to publicize the program.

Promotion attracts children. . .

In 1978 Burger King Corporation won the sixth Grand MVP Award for its Magical Burger King promotion, which was designed to increase the frequency of children's visits.

All children 12 years and under received a premium every time they visited Burger King, even if they made no purchase. All premiums included the promotion's Magical Burger King identification. A different premium was featured every two weeks, and a permanent Magical King display panel in the serving area of each unit announced what was being given away each day and what premium was coming up next. A bottom panel was used for any special announcements or activities. TV commericals were also


BUY SOME FRIES &
HELP SOME SPECIAL
GALS &
GUYS.
For every order of fries sold April 6-12, Hardee's will donate 5¢ to the Virginia Special Olympics Committee.
VIRGINIA SPECIAL OLYMPICS
Hardee's
SPARE YOUR SPARE CHANGE FOR VIRGINIA'S SPECIAL OLYMPIANS
VIRGINIA SPECIAL OLYMPICS



used to get the word out. During the year, 100 million premiums were shipped to more than 2,000 locations.

Crews, especially the counter and dining room hosts and hostesses, received special training so they could deliver the premiums in just the right way to make the experience an enjoyable one for the youngsters. To increase excitement among crews, Burger King sponsored a contest to find the best crew in the U.S.

The results were impressive. Average annual sales increased 12 percent. Kid's sandwiches were up 20 percent. Overall, sandwich sales were up 11 percent. Ad tracking studies by the J. Walter Thompson agency documented the success of the promotion.

Mexican food chain builds consumer awareness quickly. . .

Another well-integrated theme propelled Del Taco Corporation of Atlanta, GA, to a Grand MVP Award for a 1979 campaign called "Hot Stuff." The promotion was designed to introduce the Del Taco chain of Mexican restaurants to the Dallas, Houston and Atlanta markets.

The Hot Stuff theme was chosen because it connoted "new" and "terrific" and, at the same time, meant "hot" and "spicy" (a positive expectation consumers have regarding Mexican food).

In addition to an eight-page Sunday supplement, Del Taco mailed discount coupons to 10,000 households within a three-mile radius of each Del Taco unit. Del Taco also distributed free Hot Stuff buttons and bumper stickers and conducted a break-even Hot Stuff T-shirt campaign through the mail. Other premiums, such as visors and frisbees, were used at special events. Taco and burrito coupons—printed facsimiles of tacos and burritos—were distributed at special times during the campaign. Point-of-purchase material also supported the theme.

In each market, sales increased 30 to 40 percent per unit. A follow-up research study showed that awareness of Del Taco exceeded 20 percent—a figure that traditionally takes fast food chains five or six years to attain.

Family restaurant builds landmark. . .

One of the most innovative Grand MVP Award promotions came in 1980 from a single-unit, family-run operation in a tiny town of 3,700 about a hundred miles north of Detroit. The Frankenmuth Bavarian Inn, faced with the need for more parking space, came up with an aesthetic solution that also provided the community with a historic landmark. To unite two pieces of property separated by the Cass River, the Frankenmuth Bavarian Inn built a 239-foot replica of a 19th-century covered bridge. A team of oxen pulled the bridge across the river.

The bridge captured the imagination of the media. More than 200 statewide newspapers and magazines publicized the opening of the covered bridge. This publicity brought in additional customers—more than 30,500 for the year. Sales also increased. During the first month after the bridge opened, sales were up 97 percent over the same month a year earlier. Sales for the entire year increased 14 percent over the previous year.

The promotions mentioned here—and that of other MVP Grand Award winners—demonstrate the kind of creativity that continues to build customer sales and traffic.

"Through the MVP program, we're trying to stimulate the industry in the area of consumer promotion and to recognize outstanding results," says Ed Mellett, president of Pepsi-Cola's Food Service Division. "The foodservice industry is increasingly seeing itself as consumer driven, and, for that reason, the MVP competition has taken on added significance each year." ☐

King
Movie
Box
ACTUAL SIZE
FLAT SIZE OF BOARD

"Dear Del Taco, you're really Hot Stuff!"
Cut out for Del Taco.
What makes Del Taco Hot Stuff?
Del Taco's guide to Houston hot spots.
Bite back at inflation.
Nutrition for the student body
Del Taco
At Del Taco, We're Hot Stuff!

1983 MVP contest details

The Most Valuable Promotion (MVP) Awards Program celebrates its 10th anniversary this year as a prestigious showcase for some of the most creative and effective promotional campaigns in the foodservice industry. If you are an innovator in the promotions area, you will want to make sure you enter the 1983 competition.

The MVP Awards Program, a national competition established by Pepsi-Cola Company and now sponsored for the National Restaurant Association, is open to all foodservice operators.

The winners of the Most Valuable Promotion Awards are selected by an independent panel of judges appointed by the National Restaurant Association. The MVP Award winners earn national publicity and are honored at a luncheon during the National Restaurant Association Restaurant, Hotel-Motel Show. This year's MVP Program will be held on May 23 at the Marriott Hotel in Chicago.

Criteria for judging the competition are originality and creativity of idea; quality of execution; and achievement of pre-established, measurable objectives. Participants submit detailed descriptions of their promotions, along with any support materials used, such as point-of-purchase materials, TV and radio commercials, premium samples, posters and photographs.

The MVP competition welcomes entries in five separate divisions. The first three divisions are determined by restaurant size: one to 30 units, 30 to 100 units and 101-plus units. The fourth division is for institutional entries, and the fifth comprises hotels, motels, theaters and sports arenas. Judges select a maximum of three winners from each category. These winners then become MVP category winners and qualify for the top award—the Grand MVP.

Entries should be mailed to:
National Restaurant Association
311 First Street NW
Washington, DC 20001

The entry deadline is March 25. Multiple entries will be accepted. Include only promotions that were in effect during calendar year 1982.

Entries should provide detailed information about the promotion's objectives, execution and results. Supporting materials (such as point-of-purchase items, ad tear sheets, TV tape, etc.) will not be returned.

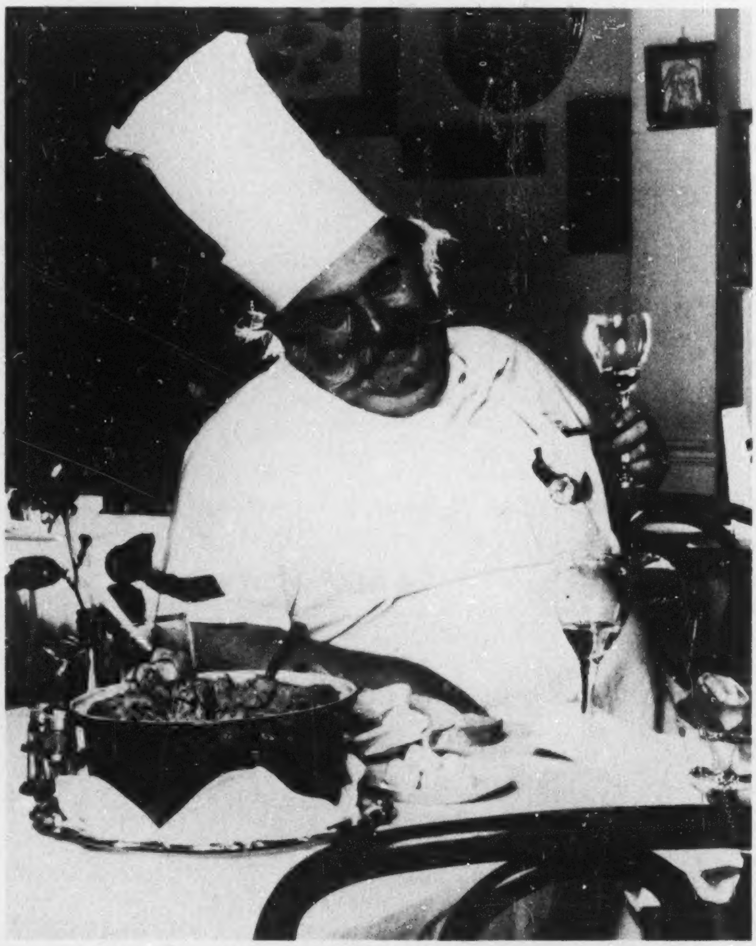
For more entry information, including forms, call the MVP Hot Line toll-free (800) 431-1707. (In New York state call (800) 942-1845).

Grand Most Valuable Promotion (MVP) Award winners

Year promotion executed	Award winner	Location
1973	Krystal Company	Chattanooga, TN
1974	Jack's Food Systems	Birmingham, AL
1975	Hardee's Food Systems	Rocky Mount, NC
1976	Straw Hat Restaurant Corporation	Dublin, CA
1977	Cassano's Inc.	Dayton, OH
1978	Burger King Corporation	Miami, FL
1979	Del Taco Corporation	Atlanta, GA
1980	Frankenmuth Bavarian Inn	Frankenmuth, MI
1981	Boddie-Noell Enterprises	Rocky Mount, NC

A behind-the-scenes look at Chef Louis

Twelve years ago, The Bakery was just another unknown restaurant on a Chicago side street. Today the restaurant is an international success, and its owner, Chef Louis Szathmary, is a celebrity. At the 64th annual NRA Restaurant, Hotel-Motel Show, Chef Louis will lead a clinic on kitchen problems. Here is a glimpse of what show participants have in store.



In a small Hungarian church in Pittsburgh, PA, hundreds of baked goods were assembled on tables. There was excitement in the air about the baking contest—not because of the dobos tortes but because of the judge, Chef Louis Szathmary.

Chef Louis is well-known and loved everywhere he goes. In part, it's because of his charisma, pizzazz and warmth. In part, it's because of his knowledge of cooking and his willingness to share that knowledge.

Began in Hungary. . .

Chef Louis first became aware of cooking while in the military in his native country, Hungary. When he immigrated to the United States in 1951, he worked as a chef. Twelve years later he opened his own restaurant—The Bakery—in Chicago, IL. Today, The Bakery is recognized as one of the best restaurants in the world, and its recipes have inspired several cookbooks, including *The Chef's Secret Cookbook*, published in 1971.

What is the secret of chef Louis' success? "Somehow we found the formula which attracts people and keeps them coming back," says Szathmary proudly. The formula includes such special touches as goose liver pate and a red rose on every table. It also includes an eclectic menu that features French, Far Eastern, German, Mexican, Italian, American and, naturally, Hungarian dishes, including such specialties as roast duckling with cherry or orange sauce or roast pork loin stuffed with Hungarian sausage. (See recipe accompanying this story.)

"A good menu is like a good composition," Chef Louis explains. "Each part should chime harmoniously. Our menu is in harmony from soup to nuts." Szathmary likes to compare his philosophy of dining to an evening at the symphony. When people go to the symphony, they listen to the entire concert and to all the instruments, he says. That is why The Bakery does not serve a la carte dishes, only complete dinners. According to Chef Louis, asking for dinner a la carte is like asking the conductor to "skip the piano, play a little French horn and feature the violins. The restaurant is my orchestra," he adds. "I have a good orchestra, and I want to play the music that I compose."

He also wants to share his compositions, and he will conduct a "master class" at this year's NRA Show. In a question and answer clinic, Chef Louis will discuss whatever is on the mind of his audience, but he will concentrate on how to motivate staff.

Chef Louis cooks every day and still enjoys it. "I always enjoy my work so much that it is embarrassing to receive payment for what I do with gusto and zest," he confesses. Not surprisingly, Chef Szathmary's favorite cuisine is Hungarian, and he prefers simple dishes such as lucskos kaposzta (cabbage).

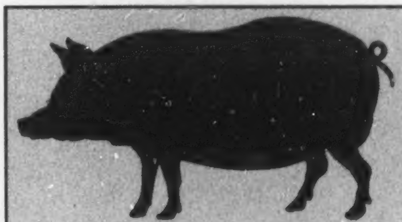
A fan of American cooking. . .

But he is also a fan of American cooking. Before it became the popular thing to do, Chef Louis was advocating American cuisine. He edited *Cookery Americana*, which has 16 volumes devoted to the subject. "Because of a colonial mentality, America has looked outside of its borders for excellence, but American cuisine is one of the most important cuisines in the world," he maintains. The only problem is that too many chefs do not get enough basic, on-the-job training. They only know how to cook a certain number of dishes, a certain way. When a change or challenge comes up, they are helpless. "In other words," Chef Louis explains, "they know how to make tomato and chicken soup, but they don't know the basics of soup making."

Chef Louis believes in the art and science of cooking so strongly that he donated his 18,000-volume library of rare cookbooks to the University of Nevada Hotel School. Chef Louis never stops learning. He finds time to serve on a National Space Institute Board of Governors and is a trustee for the Chicago Academy of Science. Because he is an avid collector, he searches out postcards of restaurants (interiors and exteriors), culinary manuscripts and early photographs, prints and etchings of food and drinking places.

All these interests keep him so busy that he has no plans to open another restaurant. "One restaurant is enough for me. I can cook only at one place at a time," he confides.

—Judy de Torok



Roast pork stuffed with Hungarian sausage*

8 servings

1 3 to 4 lb. pork loin, center cut, all bones except rib removed

1 piece Hungarian or Polish sausage, approximately ⅔ inch in diameter and as long as the pork loin

1 medium-sized onion with skin left on

2 cloves garlic

1 stalk celery

1 small carrot

2 tbsp. Chef's Salt**

1 tsp. caraway seeds

1 qt. water

1. Place the sausage in the freezer.
2. Ask the butcher to remove all the pork bones except the rib bones. Cut off the fat part from the top of the loin. Reserve fat.
3. With a long, thin-bladed knife, carefully make a hole throughout the entire length of the pork loin, keeping to the middle as much as possible.
4. Slice the onion (including the skin), the carrot and the celery, and place them in the bottom of a roasting pan. Pour the water over the vegetables and add the caraway seeds and garlic.
5. Cut the fat, which was trimmed from the pork loin, into ¼-inch cubes. Fry the cubes of fat in a frying pan until they turn dark brown.
6. Rub the Chef's Salt into the surface of the whole roast—top, bottom of ribs and the two sides. Carefully insert the stiffly frozen sausage into the pork loin by starting at one end of the roast and gently pushing it in, turning side to side. It will help if you first insert the handle of a wooden spoon, or similar object, slightly smaller than the diameter of the sausage.
7. Place the pork, rib side down, on the vegetables and pour the smoking hot fat over the top. Cover the pan and roast it in a preheated 350-degree oven, basting once every 15 to 20 minutes, for approximately one hour and 30 minutes to one hour and 45 minutes or until a thermometer inserted into the thickest part registers 165 to 170 degrees.
8. Remove the roast from the oven and place it on a serving platter. Let it stand in a warm place for at least 30 minutes.
9. Strain the liquid from the vegetables. Skim the fat from the juice, place the juice over medium heat and reduce it to one-third the quantity. Serve as a clear sauce.

*Published in *The Chef's Secret Cookbook*

Chef's Salt: Mix 1 cup salt, 1 tsp. ground black pepper, ¼ tsp. ground white pepper, ¼ tsp. celery salt and ¼ tsp. garlic salt.

WASHINGTON REPORT

NRA calls for changes in tip reporting

NRA Director Michael O'Neal (The Ginger Man Group, New York, NY) and NRA Chief Counsel Clyde Griffith told the Internal Revenue Service (IRS) last month that changes must be made to the IRS's proposed tip reporting regulations to make them less burdensome to restaurant operators and their employees.

The two appeared at an IRS public hearing on the regulations held on Feb. 8 in Washington, DC. The NRA spokesmen were joined by more than 20 other witnesses, including waitresses, restaurateurs, union leaders, corporate executives and representatives from other trade associations, such as the American Hotel & Motel Association and the National Federation of Independent Business. Written comments were also presented. After reviewing these comments, IRS will issue final regulations.

NRA director O'Neal calls regs burdensome. . .

Almost without exception, each witness criticized the new tip reporting law as unfair and unworkable, suggested changes to the proposed regulations and, in some cases, called for repeal of the law. O'Neal said the new law "places an unjustifiable burden on foodservice management" and that "the effect of this legislation is to create mistrust and strife between worker and worker as well as worker and management. We are already hearing stories about crippling disruption of employee relationships in previously harmonious establishments.

"We have asked our membership to document the expense and disruption of operations it is causing," O'Neal told IRS. "If the burden proves as heavy as early indications show, we will urge Congress to make appropriate amendments."

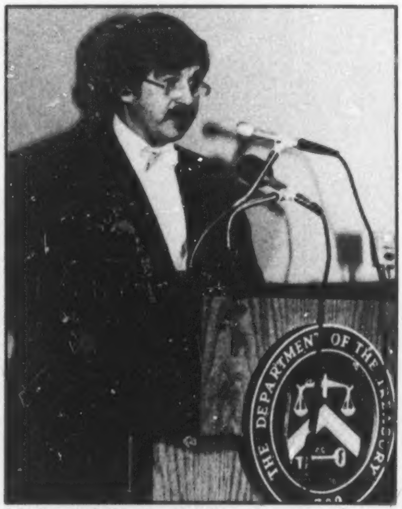
Several days after O'Neal made his statement, NRA's Board of Directors voted to establish an emergency planning session to develop options for pursuing legislative changes.

In testimony given by Griffith, NRA outlined five areas of concern that NRA members want clarified or changed.

(1) Common ownership and control

A restaurant is covered by the new law if it has tipped employees and if it employs more than 10 full-time employees (or a total of 80 employee-hours) on a typical business day. All establishments of the same employer are combined for purposes of determining coverage. In other words, even those individual establishments with 10 or fewer employees would be forced to comply with the regulations if they are under common ownership.

NRA argued that this practice is not in keeping with congressional intent which sought to cover establishments with more than 10 employees, not employers of more than 10 employees. Therefore, NRA recommended that food or beverage establishments under common ownership or control that do not have more than 10 employees on a typical business day be exempt.



Michael O'Neal criticizes tip reporting law as unworkable.

(2) Token tips

The law states that if tipped employees as a group report tips that come to less than eight percent of the establishment's gross receipts, the shortfall must be allocated to the employees. A restaurant can appeal to have the eight percent figure lowered if average tipping in the establishment is less than eight percent; but, under the proposed regulations, the tip threshold cannot be lowered below five percent.

NRA pointed out that many establishments have average tips below five percent and for them to be forced to report higher tips than actually earned violates the 16th Amendment to the Constitution. NRA recommended that those establishments with tipping below five percent be exempt from the law.

(3) Tip sharing

Because restaurateurs seldom participate in or control tip sharing arrangements, NRA asked IRS to clarify a restaurant employer's right to require tip income accounting from both directly and indirectly tipped employees.

Since the employer's access to tip sharing information is limited by the Department of Labor and the Fair Labor Standards Act, NRA said it will be very difficult for management to obtain an accurate figure for indirect tipping. For this reason, NRA believes it is imperative that the regulations give the employer the authority to demand an accounting from both directly and indirectly tipped employees of all tip income—including tip pooling and splitting arrangements—at a frequency the employer feels is necessary to administer the tip tracking process.

(4) Allocation of tips

NRA said the "good faith" allocation agreement described in the regulations would be impossible to enforce. NRA called for a minimum one-year duration for all such agreements. In addition, NRA pointed out the burden of making photocopies of W-2 forms for attachment to Form 8027 and asked that extra W-2 copies be provided if IRS considers this procedure necessary or desirable.

(5) Annual versus monthly allocation

NRA recommended employers allocate tips on an annual rather than monthly basis. To require allocation every payroll period or every month violates congressional intent, NRA added, and this is extremely burdensome to both employees and employers.

More tip reporting Q's & A's

The new tip reporting regulations continue to cause widespread concern and confusion among foodservice operators. Here are some recently-asked questions—and answers—about the regulations. (Also see the October 1982 and January 1983 issues of the *NRA News* for more information on tip reporting.)

Q. Is it true the regulations proposed by the Internal Revenue Service (IRS) may be changed?

A. Yes. The regulations published by the IRS on Dec. 8, 1982, were in proposal form. Written comments on the regulations were accepted through Feb. 7, and a public hearing was held on Feb. 8 in Washington, DC. NRA was a key witness (see related story). These temporary regulations will be replaced later this year by final regulations. In the meantime, the proposed regulations have the force of law.

Q. Are the new tip regulations now in effect, or do they start on April 1, 1983?

A. The new tip reporting law went into effect Jan. 1, 1983; however, no tip allocation will be required until after April 1, 1983. For the first quarter of 1983, employers must keep track of their establishment's total gross receipts, total charge receipts on which there were charged tips, total charged tips, total tips reported by employees and total wages paid to employees. Under the proposed regulations, these records must be submitted to IRS before the last day of February 1984. Beginning April 1, 1983, employers will be required to allocate additional tip income to tipped employees when total tips reported do not equal or exceed eight percent of the establishment's gross receipts.

Q. I understand that a restaurant that has 10 or fewer employees on a typical business day is exempt from the law. My restaurant employs nine people, but we are part of a small chain of commonly-owned restaurants. Is my establishment covered?

A. Unfortunately, yes. The IRS considers your workers and those in the other restaurants of the chain to be employees of the same employer. The regulations require that employers combine the employees of their establishments for the purposes of determining coverage when establishments are commonly-owned and controlled.

Q. What is the difference between a service charge and a tip, especially as it pertains to this law?

A. A service charge is an amount added to a restaurant customer's check by the management, while a tip is a voluntary gesture from the customer. Both the idea of giving and the amount of the tip originate in the patron's mind.

For tip reporting purposes, a service charge of 10 percent or more is not part of a restaurant's gross receipts. For all other tax purposes, service charges—regardless of the amount—are considered to be part of gross receipts and can be used to pay business expenses, including wages. Service charges cannot be used to justify a tip credit.

Q. Does this new law affect the tip credit?

A. No. Under current federal law, you may take a tip credit of up to 40 percent ($1.34 an hour) of the minimum wage, provided a tipped employee makes at least $30 a month in tipped income. The new law does not change this. The same tip income reported to you by your empoyees in order to satisfy the tip credit requirements can be used to meet the eight percent of gross receipts requirement.

Q. If my employees are not declaring eight percent of their sales as tip income, can I report it for them and thereby avoid allocation?

A. No. You cannot declare additional tip income for an employee who is "under-reporting." You can only report to IRS the amount each tipped employee has reported to you. Any shortfall must be made up through allocation. You may, however, attribute a percentage of tip income to an employee based on personal sales, hours worked, etc., provided that employee agrees to such an arrangement.

Q. What if average tipping in my restaurant is less than eight percent?

A. A restaurant can appeal to have the eight percent figure lowered if average tipping in the establishment is less than eight percent, but, under the proposed regulations, the tip threshold cannot be lowered below five percent. If you want to lower the tip threshold, write to your district IRS office. Be sure to provide such information as charge tip rates, menu prices, location and amount of self-service to support your argument that the average tip in the establishment is below eight percent. File your appeals as soon as possible, since allocation will begin on April 1.

Q. Several of my employees have begun declaring more tips in order to satisfy the new reporting requirements, and, as a result, I have had to withhold more taxes on their wages. What should I do when their wages are not enough to cover their tax liability?

A. It is quite conceivable—if you use the tip credit and your tipped employees declare a considerable amount of tip income—that you will find yourself "running out" of pay check to cover all of an employee's tax obligations. For these situations, IRS has devised a withholding priority. The order in which taxes should be deducted from cash wages is as follows: 1) the employee's share of Social Security tax on cash wages (exclusive of tips); 2) the federal income tax on cash wages (exclusive of tips); 3) the state and local withholding taxes on cash wages (exclusive of tips); 4) the employee's share of Social Security tax on tips reported to the employer; 5) the federal income tax as computed on tips reported to the employer; 6) union dues, wage garnishments, employee's share of health insurance payments or other deductions.

Those tax obligations that are not covered by wages in a particular pay period should be carried over to the next pay period. If it becomes apparent that an employee's wages will continually be insufficient to cover his tax obligations, he should file a quarterly estimate of income taxes.

—Jay Morris

NRA Guide to the 98th Congress

Telephone Numbers: To phone a senator's or representative's office, dial area code (202), the prefix 22 and the extension listed. U.S. Capitol switchboard number: 224-3121

House Addresses: All House offices are in zip code 20515.
House building code: 3 digits—Cannon House Office Building
4 digits, beginning with 1—Longworth House Office Building
4 digits, beginning with 2—Rayburn House Office Building

Senate Addresses: All Senate offices are in zip code 20510.
Room numbers beginning with SD are in the Dirksen Building
Room numbers beginning with SH are in the Hart Building
Room numbers beginning with SR are in the Russell Building

LEGEND **D = Democrats R = Republicans**

ALABAMA

Sen. Jeremiah Denton **(R)**	**45744**	SD547
Sen. Howell Heflin **(D)**	**44124**	SD357
REPRESENTATIVES		
1 Jack Edwards **(R)**	**54931**	2369
2 William L. Dickinson **(R)**	**52901**	2406
3 Bill Nichols **(D)**	**53261**	2407
4 Tom Bevill **(D)**	**54876**	2302
5 Ronnie G. Flippo **(D)**	**54801**	405
6 Ben Erdreich **(D)**	**54921**	512
7 Richard C. Shelby **(D)**	**52665**	1705

ALASKA

Sen. Frank H. Murkowski **(R)**	**46665**	SD254
Sen. Ted Stevens **(R)**	**43004**	SR147
REPRESENTATIVE AT LARGE		
Don Young **(R)**	**55765**	2331

ARIZONA

Sen. Dennis DeConcini **(D)**	**44521**	SD326
Sen. Barry Goldwater **(R)**	**42235**	SR353
REPRESENTATIVES		
1 John McCain **(R)**	**52635**	1123
2 Morris K. Udall **(D)**	**54065**	235
3 Bob Stump **(R)**	**54576**	211
4 Eldon Rudd **(R)**	**53361**	2244
5 James F. McNulty **(D)**	**52542**	1338

ARKANSAS

Sen. Dale Bumpers **(D)**	**44843**	SD327
Sen. David Pryor **(D)**	**42353**	SR270
REPRESENTATIVES		
1 Bill Alexander **(D)**	**54076**	233
2 Ed Bethune **(R)**	**52506**	1535
3 John Paul Hammerschmidt **(R)**	**54301**	2207
4 Beryl Anthony Jr. **(D)**	**53772**	1117

CALIFORNIA

Sen. Alan Cranston **(D)**	**43553**	SR247
Sen. Pete Wilson **(R)**	**43841**	SD613
REPRESENTATIVES		
1 Douglas H. Bosco **(D)**	**53311**	1330
2 Gene Chappie **(R)**	**53076**	1730
3 Robert T. Matsui **(D)**	**57163**	231
4 Vic Fazio **(D)**	**55716**	1421
5 Phillip Burton **(D)**	**54965**	2304
6 Barbara Boxer **(D)**	**55161**	1517
7 George Miller **(D)**	**52095**	2422
8 Ronald V. Dellums **(D)**	**52661**	2136
9 Fortney H. (Pete) Stark **(D)**	**55065**	1034
10 Don Edwards **(D)**	**53072**	2307
11 Tom Lantos **(D)**	**53531**	1707
12 Ed Zschau **(R)**	**55411**	429
13 Norman Y. Mineta **(D)**	**52631**	2350
14 Norman D. Shumway **(R)**	**52511**	1203
15 Tony Coelho **(D)**	**56131**	403
16 Leon E. Panetta **(D)**	**52861**	339
17 Charles Pashayan, Jr. **(R)**	**53341**	129
18 Richard H. Lehman **(D)**	**54540**	1319
19 Robert J. Lagomarsino **(R)**	**53601**	2332
20 William M. Thomas **(R)**	**52915**	324
21 Bobbi Fiedler **(R)**	**55811**	1607
22 Carlos J. Moorhead **(R)**	**54176**	2346
23 Anthony C. Beilenson **(D)**	**55911**	1025
24 Henry A. Waxman **(D)**	**53976**	2418
25 Edward R. Roybal **(D)**	**56235**	2211
26 Howard L. Berman **(D)**	**54695**	1022
27 Mel Levine **(D)**	**56451**	502
28 Julian C. Dixon **(D)**	**57084**	423
29 Augustus F. Hawkins **(D)**	**52201**	2371
30 Matthew G. Martinez **(D)**	**55464**	1714
31 Mervyn M. Dymally **(D)**	**55425**	1717
32 Glenn M. Anderson **(D)**	**56676**	2329
33 David Dreier **(R)**	**52305**	410
34 Esteban Edward Torres **(D)**	**55256**	1740
35 Jerry Lewis **(R)**	**55861**	326
36 George E. Brown, Jr. **(D)**	**56161**	2256
37 Alfred A. McCandless **(R)**	**55330**	510
38 Jerry M. Patterson **(D)**	**52965**	2238
39 William E. Dannemyer **(R)**	**54111**	1032
40 Robert E. Badham **(R)**	**55611**	2438
41 Bill Lowery **(R)**	**53201**	1440
42 Dan Lungren **(R)**	**52415**	328
43 Ronald C. Packard **(R)**	**53906**	511
44 Jim Bates **(D)**	**55452**	1632
45 Duncan Hunter **(R)**	**55672**	117

COLORADO

Sen. William L. Armstrong **(R)**	**45941**	SD141
Sen. Gary Hart **(D)**	**45852**	SR233
REPRESENTATIVES		
1 Patricia Schroeder **(D)**	**54431**	2410
2 Timothy E. Wirth **(D)**	**52161**	2454
3 Ray Kogovsek **(D)**	**54761**	430
4 Hank Brown **(R)**	**54676**	1510
5 Ken Kramer **(R)**	**54422**	240
6 Vacant due to Swigert's death		

CONNECTICUT

Sen. Christopher J. Dodd **(D)**	**42823**	SR402
Sen. Lowell P. Weicker, Jr. **(R)**	**44041**	SR315
REPRESENTATIVES		
1 Barbara B. Kennelly **(D)**	**52265**	1228
2 Sam Gejdenson **(D)**	**52076**	1404
3 Bruce A. Morrison **(D)**	**53661**	437
4 Stewart B. McKinney **(R)**	**55541**	106
5 William R. Ratchford **(D)**	**53822**	432
6 Nancy L. Johnson **(R)**	**54476**	119

DELAWARE

Sen. Jospeh R. Biden, Jr. **(D)**	**45042**	SR486
Sen. William V. Roth, Jr. **(R)**	**42441**	SH104
REPRESENTATIVE AT LARGE		
Rep. Thomas R. Carper **(D)**	**54165**	1020

FLORIDA

Sen. Lawton Chiles **(D)**	**45274**	SR450
Sen. Paula Hawkins **(R)**	**43041**	SD147
REPRESENTATIVES		
1 Earl Hutto **(D)**	**54136**	330
2 Don Fuqua **(D)**	**55235**	2269
3 Charles E. Bennett **(D)**	**52501**	2107
4 Bill Chappell, Jr. **(D)**	**54035**	2468
5 Bill McCollum **(R)**	**52176**	1507
6 Buddy MacKay **(D)**	**55744**	503
7 Sam Gibbons **(D)**	**53376**	2204
8 C.W. Bill Young **(R)**	**55961**	2266
9 Michael Bilirakis **(R)**	**55755**	319
10 Andy Ireland **(D)**	**55015**	2446
11 Bill Nelson **(D)**	**53671**	307
12 Tom Lewis **(R)**	**55792**	1313
13 Connie Mack **(R)**	**52536**	504
14 Dan Mica **(D)**	**53001**	131
15 Clay E. Shaw, Jr. **(R)**	**53026**	322
16 Lawrence J. Smith **(D)**	**57931**	113
17 William Lehman **(D)**	**54211**	2347
18 Claude Pepper **(D)**	**53931**	2239
19 Dante B. Fascell **(D)**	**54506**	2354

GEORGIA

Sen. Mack Mattingly **(R)**	**43643**	SD633
Sen. Sam Nunn **(D)**	**43521**	SD335
REPRESENTATIVES		
1 Robert Lindsay Thomas **(D)**	**55831**	427
2 Charles Hatcher **(D)**	**53631**	1726

BOLD NUMERALS = PHONE NUMBERS
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3 Richard Ray **(D)**	**55901**	514
4 Elliott H. Levitas **(D)**	**54272**	2416
5 Wyche Fowler, Jr. **(D)**	**53801**	1210
6 Newt Gingrich **(R)**	**54501**	1005
7 Larry McDonald **(D)**	**52931**	103
8 J. Roy Rowland **(D)**	**56531**	513
9 Ed Jenkins **(D)**	**55211**	217
10 Doug Barnard, Jr. **(D)**	**54101**	236

HAWAII

Sen. Daniel K. Inouye **(D)**	**43934**	SH722
Sen. Spark M. Matsunaga **(D)**	**46361**	SD564
REPRESENTATIVES		
1 Cecil Heftel **(D)**	**52726**	1030
2 Daniel K. Akaka **(D)**	**54906**	1007

IDAHO

Sen. James A. McClure **(R)**	**42752**	SD368
Sen. Steven D. Symms **(R)**	**46142**	SR480
REPRESENTATIVES		
1 Larry E. Craig **(R)**	**56611**	1318
2 George Hansen **(R)**	**55531**	1125

ILLINOIS

Sen. Alan J. Dixon **(D)**	**42854**	SD402
Sen. Charles H. Percy **(R)**	**42152**	SD443
REPRESENTATIVES		
1 Harold Washington **(D)**	**54372**	426
2 Gus Savage **(D)**	**50773**	1121
3 Marty Russo **(D)**	**55736**	2457
4 George M. O'Brien **(R)**	**53635**	2262
5 William O. Lipinski **(D)**	**55701**	1222
6 Henry J. Hyde **(R)**	**54561**	2104
7 Cardiss Collins **(D)**	**55006**	2264
8 Dan Rostenkowski **(D)**	**54061**	2111
9 Sidney R. Yates **(D)**	**52111**	2234
10 John Edward Porter **(R)**	**54835**	1530
11 Frank Annunzio **(D)**	**56661**	2303
12 Philip M. Crane **(R)**	**53711**	1035
13 John N. Erlenborn **(R)**	**53515**	2206
14 Tom Corcoran **(R)**	**52976**	2447
15 Edward R. Madigan **(R)**	**52371**	2312
16 Lynn Martin **(R)**	**55676**	1208
17 Lane Evans **(D)**	**55905**	1427
18 Robert H. Michel **(R)**	**56201**	2112
19 Daniel B. Crane **(R)**	**55001**	115
20 Richard J. Durbin **(D)**	**55271**	417
21 Melvin Price **(D)**	**55661**	2110
22 Paul Simon **(D)**	**55201**	343

INDIANA

Sen. Richard G. Lugar **(R)**	**44814**	SD189
Sen. Dan Quayle **(R)**	**45623**	SR286
REPRESENTATIVES		
1 Katie Hall **(D)**	**52461**	132
2 Philip R. Sharp **(D)**	**53021**	2452
3 John Hiler **(R)**	**53915**	316
4 Dan Coats **(R)**	**54436**	1417
5 Elwood Hillis **(R)**	**55037**	2336
6 Dan Burton **(R)**	**52276**	120
7 John T. Myers **(R)**	**55805**	2301
8 Frank McCloskey **(D)**	**54636**	116
9 Lee H. Hamilton **(D)**	**55315**	2187
10 Andrew Jacobs, Jr. **(D)**	**54011**	1533

IOWA

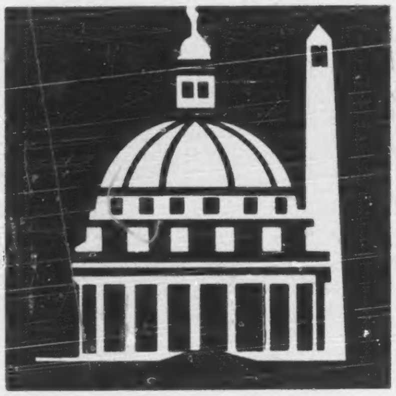
Sen. Charles E. Grassley **(R)**	**43744**	SR246
Sen. Roger W. Jepsen **(R)**	**43254**	SR120
REPRESENTATIVES		
1 Jim Leach **(R)**	**56576**	1514
2 Thomas J. Tauke **(R)**	**52911**	435
3 Cooper Evans **(R)**	**53301**	127
4 Neal Smith **(D)**	**54426**	2373
5 Tom Harkin **(D)**	**53806**	2411
6 Berkley Bedell **(D)**	**55476**	2459

KANSAS

Sen. Robert Dole **(R)**	**46521**	SH141
Sen. Nancy Landon Kassebaum **(R)**	**44774**	SR302
REPRESENTATIVES		
1 Pat Roberts **(R)**	**52715**	519
2 Jim Slattery **(D)**	**56601**	1729
3 Larry Winn, Jr. **(R)**	**52865**	2308
4 Dan Glickman **(D)**	**56216**	2435
5 Bob Whittaker **(R)**	**53911**	332

KENTUCKY

Sen. Wendell H. Ford **(D)**	**44343**	SR395
Sen. Walter D. Huddleston **(D)**	**42541**	SD262
REPRESENTATIVES		
1 Carroll Hubbard, Jr. **(D)**	**53115**	2182
2 William H. Natcher **(D)**	**53501**	2333
3 Romano L. Mazzoli **(D)**	**55401**	2246
4 Gene Snyder **(R)**	**53465**	2188
5 Harold Rogers **(R)**	**54601**	1028
6 Larry J. Hopkins **(R)**	**54706**	331
7 Carl D. Perkins **(D)**	**54935**	2328



LOUISIANA

Sen. J. Bennett Johnston **(D)**	**45824**	SH136
Sen. Russell B. Long **(D)**	**44623**	SR221
REPRESENTATIVES		
1 Bob Livingston **(R)**	**53015**	306
2 Lindy Boggs **(D)**	**56636**	2353
3 W.J. (Billy) Tauzin **(D)**	**54031**	222
4 Buddy Roemer **(D)**	**52777**	125
5 Jerry Huckaby **(D)**	**52376**	2444
6 W. Henson Moore **(R)**	**53901**	2404
7 John B. Breaux **(D)**	**52031**	2113
8 Gillis W. Long **(D)**	**54926**	2185

MAINE

Sen. William S. Cohen **(R)**	**42523**	SD131
Sen. George J. Mitchell **(D)**	**45344**	SR366
REPRESENTATIVES		
1 John R. McKernan, Jr. **(R)**	**56116**	1428
2 Olympia J. Snowe **(R)**	**56306**	133

MARYLAND

Sen. Charles McC. Mathias, Jr. **(R)**	**44654**	SR387A
Sen. Paul S. Sarbanes **(D)**	**44524**	SD245
REPRESENTATIVES		
1 Roy Dyson **(D)**	**55311**	224
2 Clarence D. Long **(D)**	**53061**	2405
3 Barbara A. Mikulski **(D)**	**54016**	407
4 Marjorie S. Holt **(R)**	**58090**	2412
5 Steny H. Hoyer **(D)**	**54131**	1513
6 Beverly B. Byron **(D)**	**52721**	1216
7 Parren J. Mitchell **(D)**	**54741**	2367
8 Michael D. Barnes **(D)**	**55341**	401

MASSACHUSETTS

Sen. Edward M. Kennedy **(D)**	**44543**	SR113
Sen. Paul E. Tsongas **(D)**	**42742**	SR394
REPRESENTATIVES		
1 Silvio O. Conte **(R)**	**55335**	2300
2 Edward P. Boland **(D)**	**55601**	2426
3 Joseph D. Early **(D)**	**56101**	2349
4 Barney Frank **(D)**	**55931**	1317
5 James M. Shannon **(D)**	**53411**	229
6 Nicholas Mavroules **(D)**	**58020**	1204
7 Edward J. Markey **(D)**	**52836**	205
8 Thomas P. O'Neill, Jr. **(D)**	**55111**	2231
9 Joe Moakley **(D)**	**58273**	221
10 Gerry E. Studds **(D)**	**53111**	1501
11 Brian J. Donnelly **(D)**	**53215**	438

MICHIGAN

Sen. Carl Levin **(D)**	**46221**	SR166
Sen. Donald W. Riegle, Jr. **(D)**	**44822**	SD105
REPRESENTATIVES		
1 John Conyers, Jr. **(D)**	**55126**	2313
2 Carl D. Pursell **(R)**	**54401**	1414
3 Howard Wolpe **(D)**	**55011**	1527
4 Mark D. Siljander **(R)**	**53761**	137
5 Harold S. Sawyer **(R)**	**53831**	301
6 Bob Carr **(D)**	**54872**	2439
7 Dale E. Kildee **(D)**	**53611**	2432
8 Bob Traxler **(D)**	**52806**	2448
9 Guy Vander Jagt **(R)**	**53511**	2409
10 Donald Joseph Albosta **(D)**	**53561**	1434
11 Robert W. Davis **(R)**	**54735**	1124
12 David E. Bonior **(D)**	**52106**	1130
13 Geo. W. Crockett, Jr. **(D)**	**52261**	1531
14 Dennis M. Hertel **(D)**	**56276**	218
15 William D. Ford **(D)**	**56261**	239
16 John D. Dingell **(D)**	**54071**	2221
17 Sander M. Levin **(D)**	**54961**	323
18 Wm. S. Broomfield **(R)**	**56135**	2306

MINNESOTA

Sen. Rudy Boschwitz **(R)**	**45641**	SD237
Sen. David Durenberger **(R)**	**43244**	SR375
REPRESENTATIVES		
1 Timothy J. Penny **(D)**	**52472**	501
2 Vin Weber **(R)**	**52331**	318
3 Bill Frenzel **(R)**	**52871**	1026
4 Bruce F. Vento **(D)**	**56631**	2433
5 Martin Olav Sabo **(D)**	**54755**	436
6 Gerry Sikorski **(D)**	**52271**	414
7 Arlan Stangeland **(R)**	**52165**	1526
8 James L. Oberstar **(D)**	**56211**	2351

MISSISSIPPI

Sen. Thad Cochran **(R)**	**45054**	SR326
Sen. John C. Stennis **(D)**	**46253**	SR205
REPRESENTATIVES		
1 Jamie L. Whitten **(D)**	**54306**	2314
2 Webb Franklin **(R)**	**55876**	508
3 G.V. Montgomery **(D)**	**55031**	2184
4 Wayne Dowdy **(D)**	**55865**	214
5 Trent Lott **(R)**	**55772**	2400

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MISSOURI

Sen. John C. Danforth **(R)**	**46154**	SR490
Sen. Thomas F. Eagleton **(D)**	**45721**	SD107
REPRESENTATIVES		
1 William (Bill) Clay **(D)**	**52406**	2470
2 Robert A. Young **(D)**	**52561**	2430
3 Richard A. Gephardt **(D)**	**52671**	1436
4 Ike Skelton **(D)**	**52876**	2453
5 Alan Wheat **(D)**	**54535**	1609
6 E. Thomas Coleman **(R)**	**57041**	2344
7 Gene Taylor **(R)**	**56536**	2134
8 Bill Emerson **(R)**	**54404**	418
9 Harold L. Volkmer **(D)**	**52956**	1230

MONTANA

Sen. Max Baucus **(D)**	**42651**	SD183
Sen. John Melcher **(D)**	**42644**	SR279
REPRESENTATIVES		
1 Pat Williams **(D)**	**53211**	1512
2 Ron Marlenee **(R)**	**51555**	409

NEBRASKA

Sen. J. James Exon **(D)**	**44224**	SD340
Sen. Edward Zorinsky **(D)**	**46551**	SR443
REPRESENTATIVES		
1 Douglas K. Bereuter **(R)**	**54806**	1314
2 Hal Daub **(R)**	**54155**	1019
3 Virginia Smith **(R)**	**56435**	2202

NEVADA

Sen. Chic Hecht **(R)**	**46244**	SD297
Sen. Paul Laxalt **(R)**	**43542**	SR323A
REPRESENTATIVES		
1 Harry M. Reid **(D)**	**55965**	1711
2 Barbara F. Vucanovich **(R)**	**56155**	507

NEW HAMPSHIRE

Sen. Gordon J. Humphrey **(R)**	**42841**	SD603
Sen. Warren Rudman **(R)**	**43324**	SD458
REPRESENTATIVES		
1 Norman E. D'Amours **(D)**	**55456**	2242
2 Judd Gregg **(R)**	**55206**	308

NEW JERSEY

Sen. Bill Bradley **(D)**	**43224**	SD253
Sen. Frank R. Lautenberg **(D)**	**44744**	SR372
REPRESENTATIVES		
1 James J. Florio **(D)**	**56501**	2162
2 William J. Hughes **(D)**	**56572**	341
3 James J. Howard **(D)**	**54671**	2245
4 Christopher H. Smith **(R)**	**53765**	422
5 Marge Roukema **(R)**	**54465**	226
6 Bernard J. Dwyer **(D)**	**56301**	404
7 Matthew J. Rinaldo **(R)**	**55361**	2338
8 Robert A. Roe **(D)**	**55751**	2243
9 Robert G. Torricelli **(D)**	**55061**	317
10 Peter W. Rodino, Jr. **(D)**	**53436**	2462
11 Joseph G. Minish **(D)**	**55035**	2109
12 James A. Courter **(R)**	**55801**	325
13 Edwin B. Forsythe **(R)**	**54765**	2210
14 Frank J. Guarini **(D)**	**52765**	206

NEW MEXICO

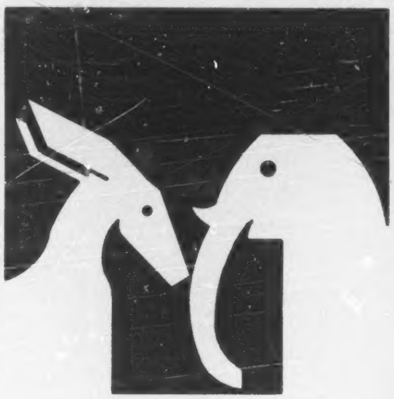
Sen. Pete V. Dominici **(R)**	**46621**	SD434
Sen. Jeff Bingaman **(D)**	**45521**	SD536
REPRESENTATIVES		
1 Manuel Lujan, Jr. **(R)**	**56316**	1323
2 Joe Skeen **(R)**	**52365**	1508
3 Bill Richardson **(D)**	**56190**	1610

NEW YORK

Sen. Alfonse M. D'Amato **(R)**	**46542**	SR440
Sen. Daniel P. Moynihan **(D)**	**44451**	SR464
REPRESENTATIVES		
1 William Carney **(R)**	**53826**	1424
2 Thomas J. Downey **(D)**	**53335**	303
3 Robert J. Mrazek **(D)**	**55956**	509
4 Norman F. Lent **(R)**	**57896**	2228
5 Raymond J. McGrath **(R)**	**55516**	431
6 Joseph P. Addabbo **(D)**	**53461**	2365
7 Vacant due to Rosenthal's death		
8 James H. Scheuer **(D)**	**55471**	2402
9 Geraldine A. Ferraro **(D)**	**53965**	312
10 Charles E. Schumer **(D)**	**56616**	126
11 Edolphus Towns **(D)**	**55936**	1009
12 Major R. Owens **(D)**	**56231**	114
13 Stephen J. Solarz **(D)**	**52361**	1536
14 Guy V. Molinari **(R)**	**53371**	412
15 William S. Green **(R)**	**52436**	1110
16 Charles B. Rangel **(D)**	**54365**	2330
17 Ted Weiss **(D)**	**55635**	2442
18 Robert Garcia **(D)**	**54361**	223
19 Mario Biaggi **(D)**	**52464**	2428
20 Richard L. Ottinger **(D)**	**56506**	2241
21 Hamilton Fish Jr. **(R)**	**55441**	2227
22 Benjamin A. Gilman **(R)**	**53776**	2160
23 Samuel S. Stratton **(D)**	**55076**	2205
24 Gerald B.H. Solomon **(R)**	**55614**	227
25 Sherwood L. Boehlert **(R)**	**53665**	1641
26 David O'B. Martin **(R)**	**54611**	109
27 George C. Wortley **(R)**	**53701**	428
28 Matthew F. McHugh **(D)**	**56335**	2335
29 Frank Horton **(R)**	**54916**	2229
30 Barber B. Conable, Jr. **(R)**	**53615**	237
31 Jack F. Kemp **(R)**	**55265**	2252
32 John J. LaFalce **(D)**	**53231**	2419
33 Henry J. Nowak **(D)**	**53306**	2240
34 Stan Lundine **(D)**	**53161**	2427

NORTH CAROLINA

Sen. John P. East **(R)**	**43154**	SD553
Sen. Jesse Helms **(R)**	**46342**	SD409
REPRESENTATIVES		
1 Walter B. Jones **(D)**	**53101**	241
2 Tim Valentine **(D)**	**54531**	1107
3 Charles Whitley **(D)**	**53415**	104
4 Ike Andrews **(D)**	**51784**	2201
5 Stephen L. Neal **(D)**	**52071**	2463
6 C. Robin Britt **(D)**	**53065**	327
7 Charles Rose **(D)**	**52731**	2230
8 W.G. (Bill) Hefner **(D)**	**53715**	2161
9 James G. Martin **(R)**	**51976**	2186
10 James T. Broyhill **(R)**	**52576**	2340
11 James McClure Clarke **(D)**	**56401**	415



NORTH DAKOTA

Sen. Mark Andrews **(R)**	**42043**	SR421
Sen. Quentin N. Burdick **(D)**	**42551**	SH511
REPRESENTATIVE AT LARGE		
Byron L. Dorgan **(D)**	**52611**	238

OHIO

Sen. John Glenn **(D)**	**43353**	SD228
Sen. Howard M. Metzenbaum **(D)**	**42315**	SR363
REPRESENTATIVES		
1 Thomas A. Luken **(D)**	**52216**	2342
2 Willis D. Gradison, Jr. **(R)**	**53164**	2311
3 Tony P. Hall **(D)**	**56465**	1728
4 Michael G. Oxley **(R)**	**52676**	1108
5 Delbert L. Latta **(R)**	**56405**	2309
6 Bob McEwen **(R)**	**55705**	329
7 Michael Dewine **(R)**	**54324**	1407
8 Thomas N. Kindness **(R)**	**56205**	2417
9 Marcy Kaptur **(D)**	**54146**	1630
10 Clarence E. Miller **(R)**	**55131**	2208
11 Dennis E. Eckart **(D)**	**56331**	1221
12 John R. Kasich **(R)**	**55355**	1724
13 Donald J. Pease **(D)**	**53401**	1127
14 John F. Seiberling **(D)**	**55231**	1225
15 Chalmers P. Wylie **(R)**	**52015**	2310
16 Ralph Regula **(R)**	**53876**	2209
17 Lyle Williams **(R)**	**55261**	1004
18 Douglas Applegate **(D)**	**56265**	2464
19 Edward F. Feighan	**55731**	1223
20 Mary Rose Oakar **(D)**	**55871**	2436
21 Louis Stokes **(D)**	**57032**	2465

OKLAHOMA

Sen. David L. Boren **(D)**	**44721**	SR452
Sen. Don Nickles **(R)**	**45754**	SD649
REPRESENTATIVES		
1 James R. Jones **(D)**	**52211**	203
2 Mike Synar **(D)**	**52701**	1713
3 Wes Watkins **(D)**	**54565**	2440
4 Dave McCurdy **(D)**	**56165**	313
5 Mickey Edwards **(R)**	**52132**	2434
6 Glenn English **(D)**	**55565**	2235

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OREGON

Sen. Mark O. Hatfield **(R)**	**43753**	SR497
Sen. Bob Packwood **(R)**	**45244**	SR173
REPRESENTATIVES		
1 Les AuCoin **(D)**	**50855**	2159
2 Robert F. (Bob) Smith **(R)**	**56730**	118
3 Ron Wyden **(D)**	**54811**	1406
4 James Weaver **(D)**	**56416**	1226
5 Denny Smith **(R)**	**55711**	1213

PENNSYLVANIA

Sen. John Heinz **(R)**	**46324**	SR469
Sen. Arlen Spector **(R)**	**44254**	SR360
REPRESENTATIVES		
1 Thomas M. Foglietta **(D)**	**54731**	1217
2 William H. Gray III **(D)**	**54001**	204
3 Robert A. Borski **(D)**	**58251**	314
4 Joe Kolter **(D)**	**52565**	212
5 Richard T. Schulze **(R)**	**55761**	2421
6 Gus Yatron **(D)**	**55546**	2267
7 Bob Edgar **(D)**	**52011**	2352
8 Peter H. Kostmayer **(D)**	**54276**	123
9 Bud Shuster **(R)**	**52431**	2455
10 Joseph M. McDade **(R)**	**53731**	2370
11 Frank Harrison **(D)**	**56511**	1541
12 John P. Murtha **(D)**	**52065**	2423
13 Lawrence Coughlin **(R)**	**56111**	2467
14 William J. Coyne **(D)**	**52301**	424
15 Don Ritter **(R)**	**56411**	124
16 Robert S. Walker **(R)**	**52411**	2445
17 George W. Gekas **(R)**	**54315**	1008
18 Doug Walgren **(D)**	**52135**	2441
19 William F. Goodling **(R)**	**55836**	2263
20 Joseph M. Gaydos **(D)**	**54631**	2366
21 Thomas J. Ridge **(R)**	**55406**	1331
22 Astin J. Murphy **(D)**	**54665**	2437
23 William F. Clinger, Jr. **(R)**	**55121**	1122

RHODE ISLAND

Sen. John H. Chafee **(R)**	**42921**	SD523
Sen. Claiborne Pell **(D)**	**44642**	SR335
REPRESENTATIVES		
1 Fernand J. St Germain **(D)**	**54911**	2108
2 Claudine Schneider **(R)**	**52735**	1431

SOUTH CAROLINA

Sen. Ernest F. Hollings **(D)**	**46121**	SR125
Sen. Strom Thurmond **(R)**	**45972**	SR218
REPRESENTATIVES		
1 Thomas F. Hartnett **(R)**	**53176**	228
2 Floyd Spence **(R)**	**52452**	2466
3 Butler Derrick **(D)**	**55301**	201
4 Carroll A. Campbell, Jr. **(R)**	**55030**	408
5 John M. Spratt, Jr. **(D)**	**55501**	1118
6 Robin Tallon **(D)**	**53315**	128

SOUTH DAKOTA

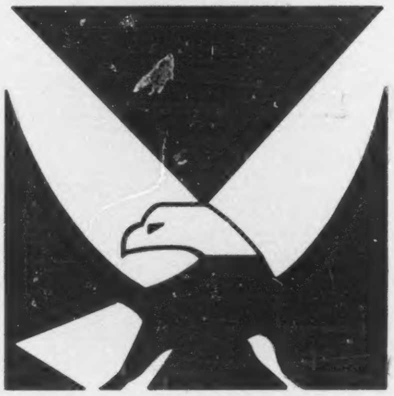
Sen. James Abdnor **(R)**	**42321**	SD449
Sen. Larry Pressler **(R)**	**45842**	SR415
REPRESENTATIVE AT LARGE		
Thomas A. Daschle **(D)**	**52801**	439

TENNESSEE

Sen. Howard H. Baker, Jr. **(R)**	**44944**	SH522
Sen. Jim Sasser **(D)**	**43344**	SR298
REPRESENTATIVES		
1 James H. Quillen **(R)**	**56356**	102
2 John J. Duncan **(R)**	**55435**	2458
3 Marilyn Lloyd Bouquard **(D)**	**53271**	2334
4 Jim Cooper **(D)**	**56831**	425
5 William Hill Boner **(D)**	**54311**	107
6 Albert Gore, Jr. **(D)**	**54231**	1131
7 Don Sundquist **(R)**	**52811**	515
8 Ed Jones **(D)**	**54714**	108
9 Harold E. Ford **(D)**	**53265**	2305

TEXAS

Sen. Lloyd Bentsen **(D)**	**54922**	SH703
Sen. John Tower **(R)**	**42934**	SR176
REPRESENTATIVES		
1 Sam B. Hall, Jr. **(D)**	**53035**	2236
2 Charles Wilson **(D)**	**52401**	2265
3 Steve Bartlett **(R)**	**54201**	1233
4 Ralph M. Hall **(D)**	**56673**	1224
5 John Bryant **(D)**	**52231**	506
6 Phil Gramm **(R)**	**52002**	1116
7 Bill Archer **(R)**	**52571**	1135
8 Jack Fields **(R)**	**54901**	413
9 Jack Brooks **(D)**	**56565**	2449
10 J.J. Pickle **(D)**	**54865**	242
11 Marvin Leath **(D)**	**56105**	336
12 Jim Wright **(D)**	**55071**	1236
13 Jack Hightower **(D)**	**53706**	2348
14 Bill Patman **(D)**	**52831**	1408
15 E. del la Garza **(D)**	**52531**	1401
16 Ronald D. Coleman **(D)**	**54831**	1017
17 Charles W. Stenholm **(D)**	**56605**	1232
18 Mickey Leland **(D)**	**53816**	419
19 Kent Hance **(D)**	**54005**	1214
20 Henry B. Gonzalez **(D)**	**53236**	2413
21 Tom Loeffler **(R)**	**54236**	1211
22 Ron Paul **(R)**	**55951**	1234
23 Abraham Kazen,Jr. **(D)**	**54511**	2408
24 Martin Frost **(D)**	**53605**	1238
25 Michael A. Andrews **(D)**	**57508**	1039
26 Tom Vandergriff **(D)**	**57772**	1529
27 Solomon P. Ortiz **(D)**	**57742**	1524



UTAH

Sen. Jake Garn **(R)**	**45444**	SD304
Sen. Orrin G. Hatch **(R)**	**45251**	SR135
REPRESENTATIVES		
1 James V. Hansen **(R)**	**50453**	1113
2 Dan Marriott **(R)**	**53011**	1133
3 Howard C. Nielson **(R)**	**57751**	1229

VERMONT

Sen. Patrick J. Leahy **(D)**	**44242**	SR433A
Sen. Robert T. Stafford **(R)**	**45141**	SH133
REPRESENTATIVE AT LARGE		
James M. Jeffords **(R)**	**54115**	2431

VIRGINIA

Sen. Paul S. Trible, Jr. **(R)**	**44024**	SR271
Sen. John W. Warner **(R)**	**42023**	SR405
REPRESENTATIVES		
1 Herbert H. Bateman **(R)**	**54261**	1518
2 G. William Whitehurst **(R)**	**54215**	2469
3 Thomas J. Bliley, Jr. **(R)**	**52815**	213
4 Norman Sisisky **(D)**	**56365**	1429
5 Dan Daniel **(D)**	**54711**	2368
6 James R. "Jim" Olin **(D)**	**55431**	1207
7 J. Kenneth Robinson **(R)**	**56561**	2233
8 Stan Parris **(R)**	**54376**	230
9 Frederick C. Boucher **(D)**	**53861**	1723
10 Frank R. Wolf **(R)**	**55136**	130

WASHINGTON

Sen. Slade Gorton **(R)**	**42621**	SD351
Sen. Henry M. Jackson **(D)**	**43441**	SH711
REPRESENTATIVES		
1 Joel Pritchard **(R)**	**56311**	2268
2 Al Swift **(D)**	**52605**	1502
3 Don Bonker **(D)**	**53536**	434
4 Sid Morrison **(R)**	**55816**	208
5 Thomas S. Foley **(D)**	**52006**	1201
6 Norman D. Dicks **(D)**	**55916**	2429
7 Mike Lowry **(D)**	**53106**	1206
8 Rod Chandler **(R)**	**57761**	216

WEST VIRGINIA

Sen. Robert C. Byrd **(D)**	**43954**	SH311
Sen. Jennings Randolph **(D)**	**46472**	SD302
REPRESENTATIVES		
1 Alan B. Mollohan **(D)**	**54172**	516
2 Harley O. Staggers, Jr. **(D)**	**54331**	1504
3 Robert E. Wise, Jr. **(D)**	**52711**	1725
4 Nick Joe Rahall II **(D)**	**53452**	440

WISCONSIN

Sen. Bob Kasten **(R)**	**45323**	SR340
Sen. William Proxmire **(D)**	**45653**	SD531
REPRESENTATIVES		
1 Les Aspin **(D)**	**53031**	442
2 Robert W. Kastenmeier **(D)**	**52906**	2232
3 Steve Gunderson **(R)**	**55506**	416
4 Clement J. Zablocki **(D)**	**54572**	2183
5 Jim Moody **(D)**	**53571**	1631
6 Thomas E. Petri **(R)**	**52476**	1024
7 David R. Obey **(D)**	**53365**	2217
8 Toby Roth **(R)**	**55665**	215
9 F. James Sensenbrenner Jr. **(R)**	**55101**	315

WYOMING

Sen. Alan K. Simpson **(R)**	**43424**	SD457
Sen. Malcolm Wallop **(R)**	**46441**	SR210
REPRESENTATIVE AT LARGE		
Dick Cheney **(R)**	**52311**	225

DISTRICT OF COLUMBIA

Del. Walter E. Fauntroy	**58050**	2135

PUERTO RICO

Resident Commissioner Baltasar Corrada	**52615**	1410

GAUM

Del. Antonio Borja Won Pat	**51188**	2133

VIRGIN ISLANDS

Del. Ron deLugo	**51790**	2443

AMERICAN SAMOA

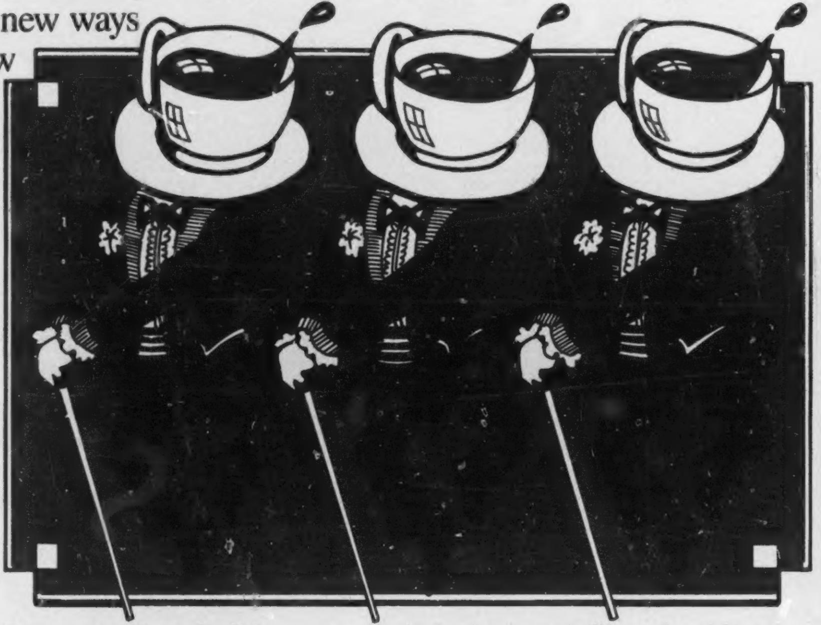
Del. Fofo I.F. Sunia	**58577**	1709

BOLD NUMERALS = PHONE NUMBERS
MEDIUM NUMERALS = OFFICE NUMBERS

EDUCATION

SALES + CONTROLS + SHOWBIZ = PROFITS

Each year tableservice restaurant operators come together to learn about the latest developments in the industry. This year's conference looked at ways to build profits by finding new ways to attract customers, new forms of revenue and new methods of control



"It's no mistake that the annual National Restaurant Association/ University of Nevada Tableservice Conference takes place in Nevada. It serves as a reminder that the restaurant business is show biz," observes NRA instructor Jim Barr.

But show biz is only one secret to tableservice restaurant success. This year, the eighth time around for this popular conference, more than 150 attendees came to Caesar's Palace in Las Vegas to learn about ways to stay ahead of today's unstable economy.

NRA director Harris Rusitzky, president of the Serv-Rite Corp. in Rochester, NY, and officials of the University of Nevada opened the conference.

Three main themes. . .

This year's program was divided into three main segments—a day dedicated to each. In these jam-packed sessions, the participants learned about advertising and promotion in print and the electronic media, new sources of revenue for tableservice restaurant operators that range from carry-out services to off-premise catering and how to improve methods of controls—from using computers to motivating staff.

They also heard about the future of the foodservice industry from Leonard Wood, vice chairman of the Gallup Organization in Princeton, NJ, and they enthusiatically participated in demonstrations put on by the hosting property.

Demonstrations build enthusiasm. . .

Lavish food displays and creative tallow carvings were just two of the demonstration highlights of the conference. The purpose of these demonstrations was to acquaint and re-acquaint conference participants with the need to put show business into restaurant operations. Nat Hart, vice president of food and beverage for Caesar's World as well as noted gourmet teacher and cookbook author, led a popular cooking encounter.

In this encounter participants were divided into teams, and each group was asked to prepare a different course of a meal. Later the courses were assembled and the dinner was served to the "chefs" by the Caesar's Palace staff. The menu included Newport salad (see the recipe in the accompanying box), medallions of veal Normandy, vegetables en croute and pineapple mousse with coconut rum. Participants also were taken on a behind-the-scenes tour of the hotel's foodservice facilities.

Senator Laxalt the featured speaker. . .

The featured speaker for the conference was Senator Paul Laxalt (R-NV). The senator, a former restaurateur, interpreted the effects of the present economy on American business. Local press and television covered the luncheon address, which closed the 1983 tableservice conference.

By popular demand, next year's conference will also be held at Caesar's Palace in Las Vegas. For further information, look in upcoming issues of the *NRA NEWS*.

18 ideas to help employees control costs

by Jim Moffa, NRA instructor and Vice President of Operations for Miller Resource Group in Chicago, IL.

1. Make 25 percent of managers' bonus conditional upon *no* overtime.
2. Donate savings from reduction in breakage and loss to an employee party fund.
3. Do *not* allow employees to consume mistakes.
4. Use automatic timers for lights.
5. Monitor waste and use a signout sheet for everything thrown away.
6. Increase accountability for an individual's own work.
7. Have management conduct daily (or shift) inspections of facility.
8. Provide incentives for employees to offer solutions to problems and/or increase sales and reduce expenses . . . reward with pre-set percentage of savings.
9. Set performance standards for cost control for both management and hourly employees.
10. Reward perfect attendance.
11. Use proper scoops, ladles and so forth to portion food.
12. Pre-portion foods such as cold cuts for sandwiches.
13. Provide scales.
14. Organize a safety committee to reduce workman's compensation.
15. Train and retrain employees.
16. Label or place signs over scales and slicers for standard measurements.
17. Color code foods for freshness.
18. Design the workplace for efficiency of movement—for example, counters at right height for 90 percent of your crew.

Newport salad

1/2 head lettuce, large
1 whole avocado, chopped
2 oz. black olives, chopped
3 oz. fresh bean sprouts
2 oz. green onions, chopped
2 oz. green stuffed olives, chopped
2 oz. feta cheese
2 oz. bay shrimp

Special Newport dressing

4 oz. olive oil
1 1/2 oz. lime juice
1 tsp. red wine vinegar
1 tbsp. capers
1 oz. red pimento diced
5 pieces anchovies, chopped
pinch of oregano
pinch of whole sage, crushed
1/2 tsp. fresh garlic, chopped fine
1 tsp. worcestershire sauce
1 tsp. Dijon mustard
salt to taste
ground white pepper to taste

Prepare salad, add dressing and toss well. Serves four

—Nat Hart's Cooking School

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For details and application, contact Race Director . . .

NRA Restaurant, Hotel-Motel Show

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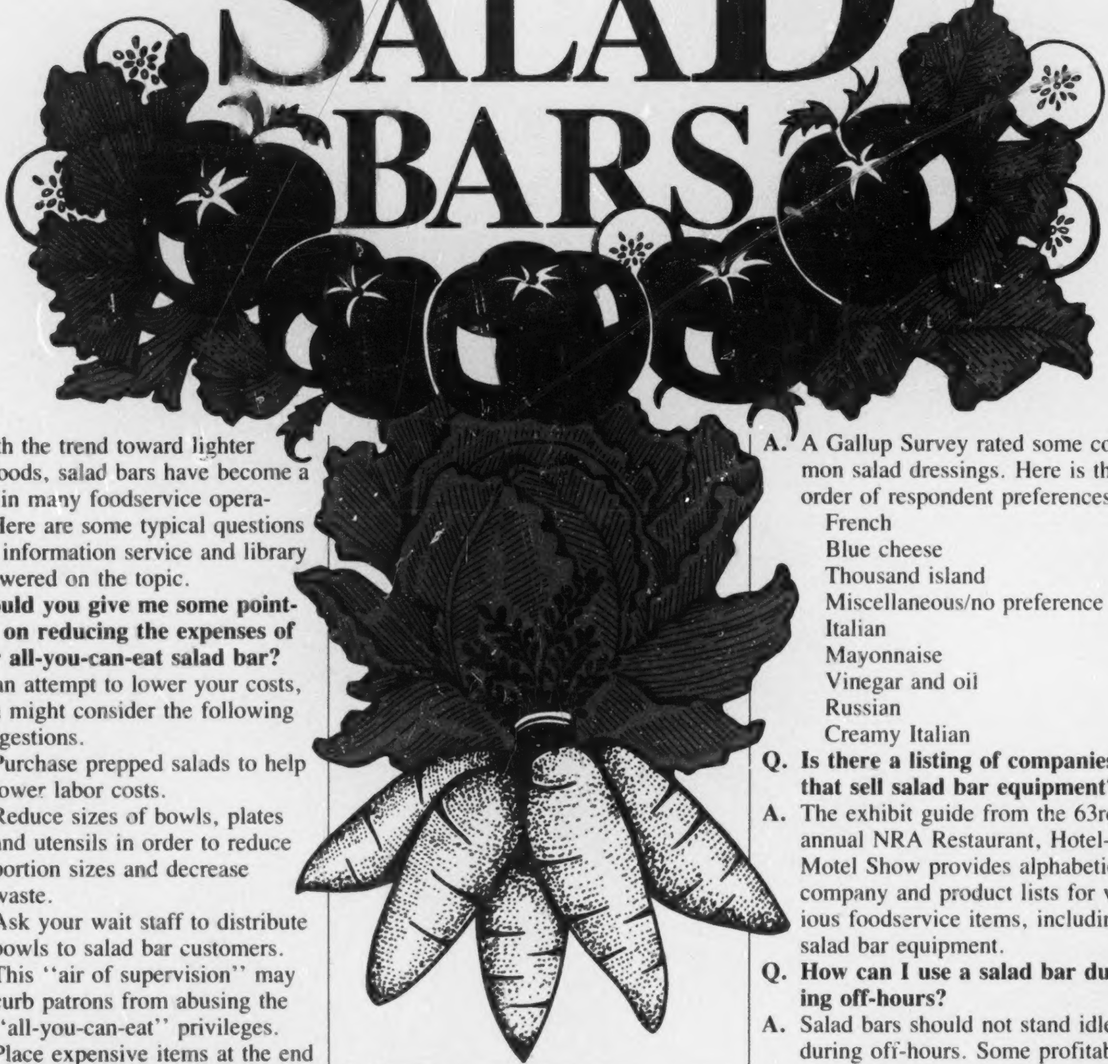
Q. HOW TO GET THE MOST FROM SALAD BARS A.



With the trend toward lighter foods, salad bars have become a feature in many foodservice operations. Here are some typical questions NRA's information service and library has answered on the topic.

Q. Would you give me some pointers on reducing the expenses of our all-you-can-eat salad bar?

A. In an attempt to lower your costs, you might consider the following suggestions.

- Purchase prepped salads to help lower labor costs.
- Reduce sizes of bowls, plates and utensils in order to reduce portion sizes and decrease waste.
- Ask your wait staff to distribute bowls to salad bar customers. This "air of supervision" may curb patrons from abusing the "all-you-can-eat" privileges.
- Place expensive items at the end of the line and in back of the others. Most customers will fill their bowls with the inexpensive items first.

Q. Can you suggest some inexpensive salad bar ingredients to help lower my food costs?

A. Consider adding condiments such as carrots, celery, cucumbers, croutons, corn, eggs, green beans, garbanzo (chick pea) beans, onions, pickles, radishes, relishes, sprouts and tomatoes.

Q. How can I tactfully keep my customers from abusing the all-you-can-eat salad bar?

A. It is very difficult to tactfully control the misuse of all-you-can-eat menu offerings. However, one diplomatic way would be to use catchy or humorous signs at the beginning of your salad bar stating the rules of salad bar etiquette.

Q. Are there any statistics that show which salad dressings are the most popular?

A. A Gallup Survey rated some common salad dressings. Here is the order of respondent preferences:

French
Blue cheese
Thousand island
Miscellaneous/no preference
Italian
Mayonnaise
Vinegar and oil
Russian
Creamy Italian

Q. Is there a listing of companies that sell salad bar equipment?

A. The exhibit guide from the 63rd annual NRA Restaurant, Hotel-Motel Show provides alphabetical company and product lists for various foodservice items, including salad bar equipment.

Q. How can I use a salad bar during off-hours?

A. Salad bars should not stand idle during off-hours. Some profitable alternatives include turning the salad bar into a

- breakfast bar
- display bar for fruits and fruit juices
- appetizer bar
- soup and sandwich bar or
- dessert bar.

For more information on salads and salad bars, contact NRA's information service and library, 311 First St. NW, Washington, DC 20001.

—Joan Campbell

FOODSERVICE TRENDS

Franchise restaurant sales total $30 billion in 1981

■ The franchise restaurant industry continues to thrive. In 1981 61,846 establishments posted $30 billion in sales. ■ Restaurant franchising, a lucrative field for both entrepreneurs and large enterprises, contributed a sizable 40.2 percent to total eating places sales in 1981. ■ Although hamburger firms are still king of the franchise industry, they seem to be losing some of their overall dominance. ■ Pizza restaurant franchises captured the number one spot in sales gains, recording a 29.0 percent sales leap in 1981. ■ Many franchisors, to battle increased competition, are diversifying their menus, hoping to improve customer traffic and total sales. ■ Americans, though more health conscious, still love sweets. They purchased $1.4 billion worth of calories at ice cream and donut shop franchises in 1981. ■ The foreign marketplace appears to be the "new frontier" for many franchisors. The number of international establishments has doubled since 1973. In 1981, 59 firms operated 4,325 units abroad, the majority of outlets are located in Canada, Japan, Australia and the United Kingdom.

Franchise restaurants represent a key segment of the commercial restaurant industry. They commanded a 40.2 percent share of total eating place sales in 1981. This is slightly less than the 1980 figure of 41.0 percent but up from 39.7 percent in 1979 and only 26.0 percent in 1972.

This first recorded decrease in nearly a decade may be partially due to the smaller number of firms entering the franchise industry during 1981 as well as slower sales and unit growth due to continued high interest rates and the recession.

In 1981, 39 new companies entered the franchise marketplace, while 24 either abandoned franchising as a marketing method or went out of business. The net gain was 15 new firms. In comparison, in the year before, the net gain was 26 firms, with 58 new companies coming into the franchise market and 32 firms leaving.

Franchising continues to be a significant part of the U.S. economy, involving numerous types of commercial businesses. Restaurants are an important part of this system, accounting for eight percent of total franchise sales and 14.0 percent of franchise establishments during 1981.

Franchise restaurants made $30 billion in sales in 1981. This represents a 7.8 percent increase over 1980's $27.8 billion, according to a report recently released by the Department of Commerce, *Franchising in the Economy, 1981-83*.* This report contains current information on 440 franchise restaurant companies operating 61,846 company-owned and franchisee-owned units.

Sales growth slower but unit expansion higher. . .

Sales growth for franchise restaurants slowed somewhat in 1981, probably the result of the recession and the continued low level of expansion. Sales advanced 7.8 percent in 1981, compared with a stronger 12.5 percent rise in 1980. Unit expansion, however, was up 3.2 percent in 1981 versus a weaker 1.7 percent one year earlier. This upward trend may reflect franchisor's optimistic outlook for the near-term future of the franchise restaurant industry.

Franchise restaurant sales, 1969-1983

(Billions of dollars)

Year	Total	Company-owned	Franchisee-owned
1969	$ 3,790,126	$ 892,382	$ 2,897,744
1970	4,602,111	1,123,314	3,478,797
1971	5,844,950	1,450,731	4,394,219
1972	6,797,405	1,753,297	5,044,108
1973	8,534,094	2,604,851	5,929,243
1974	10,350,567	3,335,338	7,015,229
1975	12,261,964	4,017,861	8,244,103
1976	14,606,313	4,647,136	9,959,177
1977	18,180,404	5,653,160	12,527,244
1978	21,100,788	6,733,545	14,367,243
1979	24,765,916	8,076,401	16,689,515
1980	27,867,046	9,129,708	18,737,338
1981	30,042,348	10,783,206	19,259,142
1982*	33,592,021	12,022,567	21,569,454
1983*	38,383,176	14,267,152	24,116,024

**1982 and 1983 estimated by respondents*

Source: *U.S. Department of Commerce*, Franchising in the Economy, 1981—1983

This optimism also shines through the 1982 and 1983 projections for sales and unit expansion. Franchisors estimate they had a strong 11.8 percent sales gain in 1982 with sales reaching $33.6 billion. They see this trend continuing in 1983 with sales increasing by 14.3 percent to $38.4 billion. The number of units is also expected to rise—by 5.3 percent in 1982 to 65,151 outlets and by 7.8 percent in 1983 to 70,262 establishments. The National Restaurant Association supports this positive outlook and estimates total eating place sales, which include franchise restaurant sales, will increase 7.8 percent in 1982 and 8.6 percent in 1983.

Company-owned franchises steal the show. . .

The franchise restaurant industry is divided into two ownership categories—company-owned and franchisee-owned. Sales gains for company-owned outlets far out-distanced that for franchisee-owned units in 1981. Sales at company-owned units rose 18.1 percent over 1980 to almost $10.8 billion while sales at franchisee-owned establishments increased a mere 2.8 percent to $19.2 billion.

This difference should virtually disappear when 1982 sales figures are reported. The franchise firms surveyed predict sales advances in 1982 of 11.5 percent for company-owned operations and 12.0 percent for franchisee-owned units. In 1983, however, sales growth for company-owned units should outperform that of franchisee-owned establishments by seven percentage points. Sales are predicted to be up 18.7 percent for company-owned units versus a gain of 11.8 percent for units operated by franchise holders.

The unit growth picture also favors company-owned outlets. In 1981 the number of company-owned units increased 8.6 percent versus 0.9 percent for franchisee-owned establishments. As the Department of Commerce study points out, this reflects the fact that in 1981, for the first time since 1975, more units were purchased for company operation than were converted to franchisee-ownership. One of the primary reasons for this was the depressed economy. Respondents, however, forecast little or no difference in the growth patterns of the two groups in 1982. They estimate a 5.4 percent increase in company-owned units and a 5.3 percent advance in franchisee-owned operations.

In 1983 the tables should turn in favor of franchisee-owned unit expansion. Respondents predict an 8.1 percent increase in franchisee-owned establishments compared with a somewhat slower 7.3 percent advance for company-owned units.

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*An annual survey tracking the total franchise industry in the United States and abroad is conducted by the Bureau of Industrial Economics of the U.S. Department of Commerce and is the only study of its kind in the country. In 1981, 1,673 franchisors completed questionnaires which represent 99 percent of franchise sales and establishments in the U.S. Results from this survey are compiled in the Department of Commerce publication, *Franchising in the Economy 1981-83*.

Sales and unit figures for 1981 and projections for 1982 and 1983 reported here are representative only of the 440 franchise restaurant firms surveyed in the most recent Department of Commerce study and do not include any new or established firms that may have decided to begin franchising in 1981 and any present firms going out of business or abandoning the franchise system.

Large firms still dominate. . .

The large franchising firms still occupy the lion's share of the franchise restaurant industry but appear to be losing some of their overall dominance. In 1981, the number of firms managing more than 1,000 units decreased from 14 to 13—the first recorded decline in this category. Sales for the large multi-unit firms were $16.7 billion in 1981, up slightly from $16.6 billion in 1980. The proportion of total franchise sales, however, declined from 59.5 percent in 1980 to 55.5 percent in 1981.

Although the largest firms also accounted for the largest share of franchise units in 1981—52 percent—the market share dropped by three percentage points from the year before. These decreases in share of sales and number of units may be primarily due to the loss of one of the 1000 plus unit companies.

The medium-size franchising firms are gaining ground in the overall distribution of total sales and units. In 1981, the number of 501-1000 unit companies increased by four firms to a total of 12 and experienced a 45.8 percent increase in sales. This is a dramatic change from the year before when sales declined by 4.9 percent. Sales for this segment equaled $4.2 billion in 1981, $2.9 billion in 1980 and $3.0 billion in 1979.

The number of units in this segment reached 8,582 in 1981—a 45.1 percent advance over 1980's total of 5,916 outlets. This increased the market share from 9.9 percent to 13.9 percent. The changes experienced in the large and medium-size segments may be attributed to one of the larger firms retrenching and selling some of its units, thus dropping into the 501-1000 unit category.

Even though the franchise restaurant market appears to be dominated by the larger firms, the smaller organizations still comprise a significant segment of the industry. Seventy-two percent of the franchise restaurant firms had 50 or fewer outlets. Many of these firms are just starting out—an indication that the franchise restaurant field holds as much opportunity for independent entrepreneurs as for large corporations.

Principal type of service provided by franchise restaurant chains, 1980-1981

Major Activity	Number of firms offering self-service, drive-in and drive-thru 1980	1981	Number of firms offering waiter or waitress service 1980	1981
Chicken	32	27	3	3
Hamburgers, franks, roast beef, etc.	103	100	7	7
Pizza	48	58	35	36
Mexican	23	24	9	9
Seafood	8	9	4	4
Pancakes, waffles	0	0	17	15
Steak, full menu	19	19	83	90
Sandwiches, other	31	36	3	3
Total	**264**	**273**	**161**	**167**

Note: *This information represents the primary type of service offered.*

Source: *U.S. Department of Commerce*, Franchising in the Economy, 1981-1983

Service important to pleasing customers. . .

All franchise owners, large and small, continue to realize the importance of meeting the needs of customers. To successfully compete with other restaurants, franchisors tailor the way they serve their patrons. Some offer waiter/waitress service, while others offer self-service and drive-in facilities. Twenty franchisors offer both types of service.

Most franchisors emphasize quick (self-service or drive-in) service. In 1981, 273 firms offered these "easy-in, easy-out" conveniences, up from 264 in 1980. This type of service is found most often at the more traditional fast food chains serving chicken, hamburgers, fish and other types of sandwiches.

In 1981, 167 establishments offered waiter/waitress services—up from 161 one year earlier. Steak and full menu restaurants were the largest promoters of this service, with 90 firms offering tableservice in 1981. Both types of service are common at pizza franchise establishments, with 58 firms offering self-serve or drive-in facilities and 36 companies providing tableservice in 1981. Pancake franchise restaurants, in contrast, offer only waiter/waitress services.

Hamburger firms still king. . .

Hamburger, frank and roast beef firms, which include several of the industry giants, continue to dominate the franchise sector of the restaurant industry, according to the Department of Commerce study. In 1981, they represented 48 percent of franchise restaurant sales and 44 percent of franchise units—down slightly from 50 percent and 45 percent, respectively, in 1980.

Although sales at hamburger, frank and roast beef firms reached $14.3 billion in 1981, or 19.0 percent of total eating place sales, sales growth at these establishments slowed considerably in 1981. The sales increase was only 2.1 percent, compared with much stronger advances the two years before—10.1 percent in 1980 and 17.3 percent in 1979.

This change is probably due to a slowdown in unit expansion as well as increased competitive pressure from other types of fast food outlets. To combat this trend, franchisors in this segment are diversifying their menus, attempting to broaden their customer base and trying to expand their market share through increased advertising and promotions. Some of the sizable chains are also expanding into largely untapped foreign markets to further increase sales. (See article, "International market continues to woo restaurant franchisors, on page XX.)

Hamburger franchisors predict sales will rise at a faster rate in 1982 and 1983, due to more aggressive marketing strategies and an improving economy. They forecast sales will rise to $16.0 billion in 1982, a gain of 11.6 percent. The 1983 picture looks even brighter—estimates put sales at $18.1 billion or a 13.2 percent increase.

Company-owned unit sales growth far outstripped those at units owned by franchise holders. Company-owned unit sales were up 18.6 percent to $4.0 billion in 1981, while sales at franchisee-owned units declined 3.1 percent to $10 billion. This is the first reported sales decrease for franchisee-owned hamburger outlets and may be the result of franchisee-owned unit conversions to company-owned opera-

Franchise restaurant sales by restaurant type, 1980-1983

(Millions of dollars)

Major Activity	1980	1981	1982*	1983*
Chicken	$ 2,734,006	$ 2,833,007	$ 3,308,001	$ 3,938,399
Hamburgers, franks, roast beef, etc.	14,027,398	14,327,705	15,990,765	18,100,598
Pizza	2,455,542	3,169,601	3,605,807	4,159,594
Mexican	878,523	1,069,712	1,305,277	1,576,110
Seafood	785,806	888,491	1,027,226	1,211,391
Pancakes, waffles	784,546	847,650	913,320	1,009,825
Steak, full menu	5,935,804	6,566,702	7,043,017	7,849,159
Sandwiches, other	265,421	339,480	398,608	518,100
Total	$27,867,046	$30,042,348	$33,592,021	$38,383,176

*1982 and 1983 estimated by respondents

Source: *U.S. Department of Commerce*, Franchising in the Economy, 1981-1983.

tions. Unit expansion figures seem to support this deduction. In 1981, the number of company-owned units advanced 10.5 percent to 5,926 establishments, compared with a 3.0 percent decline to 21,019 outlets for franchisee-owned operations.

Franchisors believe this picture will change and forecast expansion for both types of operations. They predict that in 1982 the number of company-owned operations grew 4.0 percent and that franchisee-owned units increased 3.6 percent.

The 1983 forecast promises more unit growth—6.2 percent for company-owned outlets and 5.9 percent for franchisee-owned units. Sales gains are also predicted for both types of operations. 1982 estimates put sales gains at 10.5 percent for company-owned units to $4.5 billion and 12.0 percent for franchisee-owned outlets to $11.5 billion dollars. In 1983, sales are expected to accelerate at company-owned units—up 25.9 percent, compared with a slower 8.3 percent gain for franchisee-owned units.

Pizza franchise restaurants take lead in sales growth. . .

Pizza franchise restaurant sales jumped 29.0 percent to $3.2 billion in 1981, topping 1980's 14.6 percent gain. This represents the largest increase for any franchise restaurant category and can probably be attributed to nine new firms entering the pizza segment—the greatest number of new entries among the franchise categories. This significant growth may also be due to many pizza franchisor's increased emphasis on attracting lunch traffic through promotions and menu diversification.

Unit expansion for pizza outlets advanced 8.8 percent to 9,695 units in 1981, up from 8,914 outlets in 1980. Most of the growth occurred in franchisee-owned units which expanded 11.4 percent. The rise in the number of company-owned outlets was a much slower 4.5 percent.

Franchisors project slower but steady future growth in both sales and unit expansion for pizza franchises. Sales are expected to reach $3.6 billion in 1982 and $4.2 billion in 1983. Unit expansion is expected to continue with a rise of 8.7 percent to 10,536 units in 1982 and a gain in 1983 to 11,593 operations.

Mexican food franchise sales top one billion. . .

Sales passed the one billion dollar mark for Mexican food franchisors in 1981—a 21.8 percent increase over the year before. This is somewhat less than the 26.5 percent gain in 1980 and may be due to the smaller number of new entries in the field—one in 1981 versus four in 1980. Franchisors predict continued sales growth in 1982 and 1983—22.0 percent and 20.8 percent, respectively, with sales projected to reach $1.6 billion in 1983.

Unit expansion advanced 8.2 percent in 1981, compared with a stronger gain of 12.0 percent in 1982. Again, this is most likely due to the smaller number of new firms entering the field. Projections indicate the number of Mexican food franchise units will increase 8.3 percent in 1982 to 3,250 and 11.4 percent in 1983 to 3,620.

Franchise restaurant establishments by restaurant type, 1980-1983

(Number of units)

Major Activity	1980	1981	1982*	1983*
Chicken	7,338	7,388	7,915	8,683
Hamburgers, franks, roast beef, etc.	27,027	26,945	27,943	29,600
Pizza	8,914	9,695	10,536	11,593
Mexican	2,774	3,002	3,250	3,620
Seafood	2,290	2,226	2,428	2,630
Pancakes, waffles	1,278	1,500	1,548	1,630
Steaks, full-menu	8,858	9,406	9,648	10,240
Sandwiches, other	1,480	1,684	1,883	2,266
Total	59,959	61,846	65,151	70,262

*1982 and 1983 estimated by respondents

Source: *U.S. Deparment of Commerce*, Franchising in the Economy, 1981-1983.

Total number of chicken franchise firms falls. . .

The number of chicken franchise firms decreased in 1981 from 35 to 30. This decline is reflected in the segment's decreased rate of sales growth—up a mere 3.6 percent in 1981 versus a considerable 21.1 percent advance in 1980. Due to this declining growth rate, sales for chicken franchise restaurants now rank fourth while the pizza segment has moved up to third place. Members of this segment, however, expect better days ahead and predict sales increases of 16.8 percent in 1982 and 19.7 percent in 1983. By 1983 franchise chicken restaurant sales should total $4.0 billion compared with $2.8 billion in 1981 and $3.3 billion in 1982.

Unit expansion for this category practically came to a standstill, with the number of outlets reaching 7,388—only 50 more than the 7,338 units reported in 1980. The number of company-owned units grew by 5.5 percent in 1981, while the number of franchisee-owned outlets decreased by 1.3 percent. This may be due to the increased number of franchisee-owned units converted to company ownership. According to predictions, unit expansion should pick up in 1982 and 1983. Chicken franchise firms estimate that the number of establishments will reach 7,915 in 1982 and 8,683 in 1983.

Seafood franchise sales up 13 percent. . .

Seafood franchise sales increased 13.1 percent to $888 million in 1981. This is a significant advance, as 1980's sales increased only 1.5 percent over 1979. Operators predict that sales growth will continue. They forecast a 15.6 percent increase in 1982 to $1.0 billion and a 17.9 percent gain in 1983 to $1.2 billion.

Although seafood franchise sales increased, the number of establishments declined from 2,290 in 1980 to 2,226 in 1981, representing a 2.8 percent drop. Franchisors project a turnaround in 1982 and 1983, with a 9.1 percent and an 8.3 percent increase in unit expansion, respectively.

As in other segments of the franchise restaurant industry, sales at company-owned units rose considerably faster than at franchisee-owned operations—26.7 percent versus 0.4 percent. Estimates for 1982 and 1983 project a narrowing of this sizable growth rate margin—18.7 percent increase in company-owned units compared with a 12.0 percent gain in franchisee-owned outlets in 1982. In 1983 the sales should be up—19.4 percent at company-owned operations versus a 16.1 percent rise at franchisee-owned units.

Steak/full menu franchises first in number of firms. . .

There were 109 steak/full menu franchise firms in 1981, an increase of seven companies. The number of steak/full menu restaurant firms now tops total burger chains by two. Sales in 1981 reached $6.6 billion, compared with $5.9 billion one year earlier. Sales growth, however, slowed from 13.6 percent in 1980 to 10.6 percent in 1981. Franchise steak/full menu firms forecast a slower 7.3 percent sales gain in 1982, but a larger increase of 11.5 percent is forecast for 1983. Total sales will equal $7.8 billion in 1983, according to steak/full menu respondents.

Unit expansion rose 6.2 percent in 1981, with the number of steak/full menu outlets rising from 8,858 to 9,406. Franchisors estimate a continued slowdown in the rate of unit expansion in 1982, predicting a mere 2.6 percent increase. Figures for 1983 are more optimistic and indicate a 6.1 percent rise.

Contrasting movements in this segment are evident. There are a number of new firms in this segment as well as rising unit expansion among existing franchisors at a time when the rate of sales growth is trending downward. This could be the result of a shifting market for steak/full menu outlets. Organizations based in "blue collar" or residential areas of older cities, which have historically done well, are not experiencing the positive growth patterns that units located in healthier parts of the sunbelt are recording. Consequently, some franchisors are expanding fairly rapidly while others are retrenching.

Pancake franchise unit expansion rises 17 percent. . .

Pancake franchise unit expansion increased 17.4 percent in 1981, a tremendous upswing compared with the 20.1 percent decline in 1980. The total number of units now equals 1,500, up from 1980's level of 1,278 but still below the 1,600 unit count of 1979. An increase in the number of company-owned units, up 43.6 percent, was the primary force behind this growth in 1981. This is a considerable improvement over 1980's 14.1 percent decrease in company-owned outlets. The number of franchisee-owned units advanced 6.8 percent in 1981 versus a 22.3 percent decline in 1980. Estimates for 1982 and 1983, however, predict a significant slowdown in unit growth—up only 3.2 percent in 1982 and 5.3 percent in 1983.

Sales for franchise pancake restaurants increased from $784 million in 1980 to $848 million in 1981, an 8.0 percent gain. Operators continue to be optimistic. They predict sales will rise in 1982 to $913 million and exceed one billion dollars in 1983.

Sandwich franchise sales rise 27.9 percent. . .

Sandwich franchise sales rose 27.9 percent in 1981 to $339 million versus 1980's slightly larger 28.9 percent gain. Sales are expected to be up in 1982—by 17.4 percent and then up again in 1983 by 30.0 percent. By 1983, franchise sandwich restaurant sales should equal $518 million, nearly double 1980's sales.

The number of units totaled 1,684 in 1981, a 13.8 percent increase over 1980. Sandwich franchisors predict unit expansion will be up 11.8 percent in 1982 and increase by 20.3 percent in 1983.

Five new firms entered the sandwich segment in 1981, bringing the total to 39. Many of the new firms in this category offer health-oriented menus, such as yogurt, salads and specialty sandwiches. Consumers, becoming more interested in diet and health, should help strengthen sales in this category.

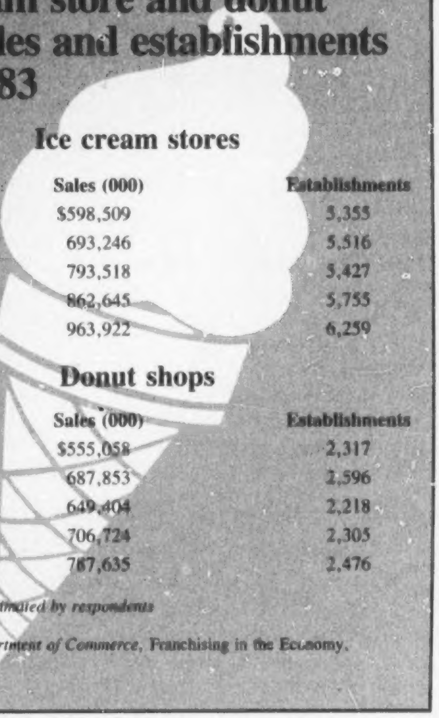
Franchise ice cream store and donut shop sales total $1.4 billion

Franchise ice cream store and donut shop sales totaled $1.4 billion in 1981, making them a significant segment of the foodservice industry. These establishments are classified as "food retailers other than convenience stores," according to the recent U.S. Department of Commerce study, *Franchising in the Economy, 1981-1983*; thus their sales are not included in the $30 billion recorded by franchise restaurants in 1981. If they were included, franchise restaurant sales would total $31.4 billion, accounting for 42.2 percent of eating place sales.

Franchise ice cream store sales top $793 million. . .

Sales for franchise ice cream stores reached $794 million in 1981, an increase of 14.5 percent over 1980. This is somewhat below 1980's recorded sales gain of 15.8 percent

Ice cream store and donut shop sales and establishments 1979-1983



Ice cream stores

Year	Sales (000)	Establishments
1979	$598,509	5,355
1980	693,246	5,516
1981	793,518	5,427
1982*	862,645	5,755
1983*	963,922	6,259

Donut shops

Year	Sales (000)	Establishments
1979	$555,058	2,317
1980	687,853	2,596
1981	649,404	2,218
1982*	706,724	2,305
1983*	787,635	2,476

***1982 and 1983 estimated by respondents**

Source: *U.S. Department of Commerce*, **Franchising in the Economy, 1981-1983.**

and can be attributed to a slowdown in unit expansion. Operators expect sales to increase even more slowly in 1982, up only 8.7 percent to $863 million, but the pace should pick up in 1983 when sales are expected to be up 11.7 percent reaching $964 million.

Sales for company-owned units in 1981 were $25 million, a 12.3 percent gain, nearly three times the rate of increase experienced in 1980 (4.3 percent). Franchisee-owned outlet sales advanced 14.5 percent in 1981 to $768 million, somewhat less than 1980's rise of 16.2 percent. Franchisors expect sales at company-owned operations to rise at a much faster rate than franchisee-owned establishments in 1982 and 1983.

Unit expansion for ice cream stores slowed considerably in 1981, declining 1.6 percent to 5,427 total units. In contrast, they grew by 3.0 percent in 1980. The largest decrease was for company-owned units, which dropped 11.8 percent in 1981 from 153 outlets to 135 outlets. This is a dramatic change from the 36.6 percent upswing in 1980.

The change was not as great for franchisee-owned units. Although they declined in 1981 to 5,292 establishments, a 1.3 percent drop, in 1980 they had experienced only a slight 2.3 percent gain. Operators predict this trend will change, however, and forecast that the total number of company-owned units in 1982 will be 155 and the total number of franchisee-owned outlets will reach 5,600. Expansion figures for 1983 show this trend continuing. Franchisors expect company-owned expansion to reach 172 units and franchisee-owned operations to reach 6,087.

One of the trends ice cream franchisors are watching is the increased consumer desire for premium ice cream, particularly hard ice cream. One major operator is considering a move to add hard ice cream to its standard soft ice cream menu to increase sales. The increasingly crowded ice cream market is also encouraging owners to diversify their menus and add more non-dairy products to strengthen traffic and overall sales.

Donut sales drop. . .

Franchise donut shop sales weakened 5.6 percent to $649 million in 1981, compared with a much stronger gain of 23.9 percent in 1980. This can be partially attributed to a substantial decrease in the overall number of donut shops. Projections for 1982 and 1983 sales growth are more optimistic, however, with sales reaching $707 million in 1982 and increasing 11.5 percent to $788 million in 1983.

Sales at franchisee-owned units declined 8.7 percent to $568 million but rose 24.2 percent at company-owned outlets to $81 million. This difference may be attributed to the substantial number of franchisee-owned establishments converted to company-ownership. Franchisors expect this difference to narrow in 1982, predicting 14.3 percent sales growth for company-owned units and an 8.1 percent increase for franchisee-owned units. They also expect sales to increase faster at franchisee-owned units in 1983 than at company-owned operations, 12.1 percent versus 7.4 percent.

Unit expansion slowed considerably in 1981, dropping 14.6 percent to 2,218 units. Most of this decrease occurred in the franchisee-owned segment. This may be due to a significant number of these outlets going out of business as well as some of them being converted to company ownership. The number of company-owned units increased slightly by 3.3 percent to 222 shops, while the number of franchisee-owned outlets decreased a substantial 16.2 percent to 1,996 units. Franchisors predict overall unit expansion will rise 3.9 percent in 1982 to 2,305 operations and increase a more significant 7.4 percent in 1983 to 2,476 units.

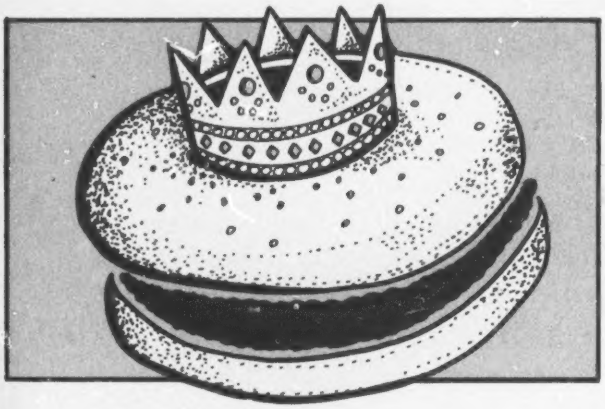
Donut shop operators are expanding menus, adding items like muffins, cookies and freshly ground coffee to bring in more customers and increase sales. Owners are considering diversified menu strategies primarily because they hope this will give them an advantage over their principal competitors—low overhead community independents.

International market continues to woo franchisors

Restaurant franchisors are expanding their horizons and aggressively tapping the lucrative and relatively undeveloped international market. Despite high labor and real estate costs, as well as consumer resistance, U.S. franchisors are capitalizing on the immense potential of the foreign marketplace. The overseas restaurant franchising industry is growing by leaps and bounds—doubling in number of units since 1973.

According to a recent Department of Commerce study, *Franchising in the Economy, 1981-1983*, 59 U.S. restaurant franchisors operated 4,325 units throughout the world in 1981. This is up from 57 firms operating 3,943 outlets in 1980. Further expansion is a key goal of many franchising firms, and 22 new U.S. companies plan to develop international units by 1984.

Canada was the largest market for U.S. restaurant franchisors in 1981 with a total of 1,220 units, followed by Japan with 1,106, Australia with 468, United Kingdom with 442 and continental Europe with 316 outlets. Expansion in Australia skyrocketed with a 41.8 percent increase in the number of units over 1980.

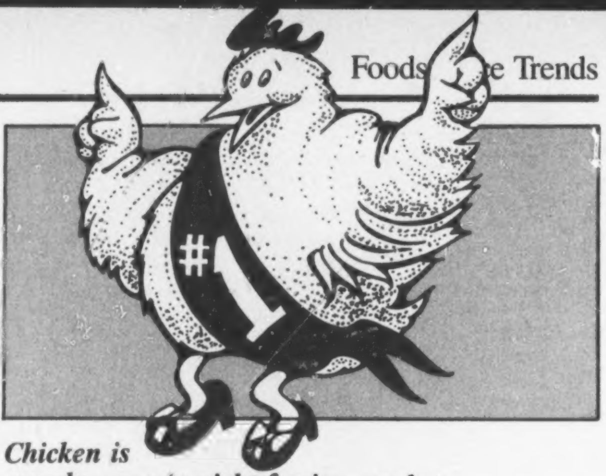


Hamburger firms still dominate. . .

Hamburger firms continue to dominate foreign restaurant franchise markets. In 1981, 15 U.S. firms operated 2,099 units or 48.5 percent of the total number of establishments in the international market. Although the number of firms has remained constant from 1980, unit expansion was up 11.2 percent.

Canada, with 890 units in 1981, had the majority of hamburger outlets, followed by Japan with 482 establishments. The United Kingdom had a sizable drop in number of units—down 103 from 195 in 1980 to 92 in 1981. This decline may be the result of poor economic conditions which led many franchisors to go out of business or cut back their franchise operations in this country. Another factor may be increased emphasis on continental Europe where the number of franchise restaurant units expanded from 201 in 1980 to 269 outlets in 1981, a 33.8 percent gain.

Australia, by far, had the most dramatic increase in units, with the number of operations increasing fivefold from 32 in 1980 to 152 in 1981.



Chicken is number one in eight foreign markets. . .

Chicken franchise restaurants stole the franchise show in eight out of 12 targeted overseas markets. For example, chicken was number one in Mexico, the Caribbean, Australia, South America and New Zealand. Chicken outlets accounted for 75.6 percent of the total number of

Number of U.S. firms in international restaurant franchising 1980-1981

	Number of U.S. firms	
	1980	**1981**
Chicken	6	6
Hamburgers, franks, roast beef, etc.	15	15
Pizza	8	9
Mexican	5	6
Seafood	4	4
Pancakes, waffles	3	2
Steak, full menu	14	16
Sandwiches, other	2	1
Total	**57**	**59**

Source: *U.S. Department of Commerce*, Franchising in the Economy, 1981-1983

Number of franchise restaurant establishments in foreign countries (1980-1981)

	Total establishments	
	1980	**1981**
Chicken	1,299	1,377
Hamburgers, franks, roast beef, etc.	1,887	2,099
Pizza	263	289
Mexican	24	60
Seafood	57	58
Pancakes, waffles	16	15
Steak, full menu	395	425
Sandwiches, other	2	2
Total	**3,943**	**4,325**

Source: *U.S. Department of Commerce*, Franchising in the Economy, 1981-1983

United Kingdom franchise restaurants and a dramatic 93.6 percent of Africa's establishments. Reasons for this dominance could include the early entrance of chicken franchisors into the international market and the more universal acceptance of chicken, more familiar in some countries than the favorite of the U.S. fast food market—the "all-American" hamburger.

In 1981, the number of franchise chicken operations grew 6.0 percent to 1,377 units. This is somewhat less than 1980's 11.0 percent unit gain and may be due to the significant drop in chicken outlets in Canada, which fell to 13 units in 1981 from 88 operations in 1980. This major decrease is probably due to companies cutting back or leaving the market. Chicken franchisors expanded their operations in all of their other markets; however Japan with 364 units had the largest number of franchise chicken outlets in 1981 followed by the United Kingdom with 334 units.

Franchise outlets specializing in Mexican dishes double. . .

Mexican franchise restaurant expansion more than doubled in 1981, with the number of units growing from 24 in 1980 to 60 in 1981. One new franchise firm entered the Mexican food franchise market in 1981—probably contributing to this significant gain.

Most of the growth occurred in Canada where the number of units increased dramatically from two in 1980 to 39 in 1981. "South of the border" appreciation is moving north! The only decrease in the number of units in this category was recorded in the Caribbean—16 units in 1981, compared with 20 outlets in 1980.

Number of pizza restaurants up. . .

The number of pizza franchise restaurants increased 9.9 percent in 1981, expanding from 263 units in 1980 to 289 outlets in 1981. Some of this growth can be attributed to a new U.S. pizza firm entering the international marketplace, bringing the total number of pizza firms to nine.

Australia, with 96 establishments, had the largest number of overseas outlets in 1981, and Japan ranked second with 55 pizza units.

Steak/full menu firms reach 16. . .

Steak/full menu firms have the largest number of overseas franchise companies. Two new firms entered the market in 1981, bringing the number of firms to 16. The number of units also expanded, growing from 395 outlets in 1980 to 425 operations in 1981 or 7.6 percent.

Most of the steak/full menu franchises were concentrated in Canada, which had 197 of these outlets—an increase of eight units over one year earlier. Japan, a close second, followed with 191 operations in 1981, a 16.5 percent gain over 1980's total of 164 units.

Number of seafood restaurants remains stable. . .

The number of U.S. seafood franchise restaurants totaled 58 in 1981, up only one unit over 1980. Four U.S. seafood firms now have operations abroad, equal to the number in 1980. The majority of units, 53, are based in Canada. The remaining five outlets are located in Japan, where the number increased only slightly from four units in 1980.

Number of pancake franchise units dips. . .

Pancake franchise establishments dropped from 16 in 1980 to 15 in 1981, partially due to the exit of one U.S. firm in the overseas market. In 1981, two firms franchised abroad, compared with three companies in 1980. Japan, with eight establishments, had slightly more outlets than second-ranked Canada, where seven units are in operation.

Location and number of international restaurant franchising establishments in 1981*

	Chicken	Hamburgers	Pizza	Mexican	Seafood	Pancakes	Steak, full menu	Sandwich	Total
Canada	13	890	19	39	53	7	197	2	1,220
Mexico	65	0	15	0	0	0	19	0	99
Carribbean	92	71	14	16	0	0	5	0	198
United Kingdom	334	92	13	0	0	0	3	0	442
Continental Europe	44	269	3	0	0	0	0	0	316
Japan	364	482	55	1	5	8	191	0	1,106
Other Asian	92	85	50	0	0	0	3	0	230
Australia	210	152	96	4	0	0	6	0	468
South America	13	7	0	0	0	0	0	0	20
Africa	103	0	6	0	0	0	1	0	110
New Zealand	37	16	9	0	0	0	0	0	62
Central America	10	35	9	0	0	0	0	0	54
Total	**1,377**	**2,099**	**289**	**60**	**58**	**15**	**425**	**2**	**4,325**

**Includes company-owned and franchisee-owned units as well as joint ventures*

Source: *U.S. Department of Commerce*, Franchising in the Economy, 1981-1983

(International Map)

(International Map)

New Foodservice Trends feature consolidates industry trend data

In an effort to consolidate some of the information on the state of the foodservice industry, a new feature—Foodservice Economic Indicators—has been added to the "Foodservice Trends" section of the *NRA NEWS*. This article will incorporate information previously found in the Industry index and the Commodity Price Index (CPI). It will highlight data on menu prices, food costs, labor costs and industry sales as well as other pertinent general economic trends information.

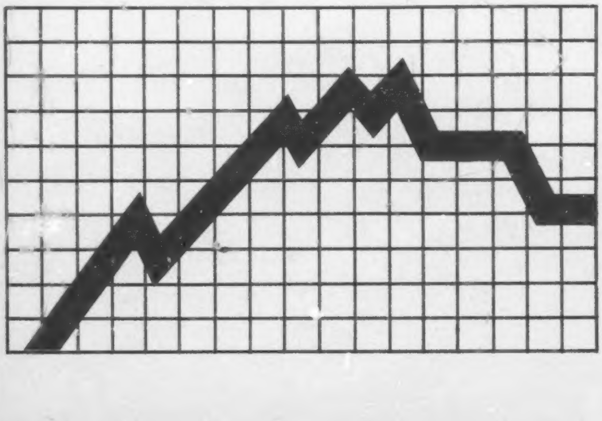
Foodservice economic indicators will not replace the in-depth analysis on commodity prices and supplies, which appears periodically in "Foodservice Trends." This first article will focus on the performance of these key indicators in 1982. NRA's research staff maintains current files on all these figures and will gladly answer any member questions which may require more extensive information than is presented here.

Generally, the foodservice industry experienced a more prosperous year in 1982 than in 1981. Menu prices increased at a slower rate, food costs were up only modestly, labor costs rose only slightly and real sales continued to advance. Indications are that the industry will continue to prosper in 1983. (See 1983 forecast in December *NRA NEWS.*)

Menu prices, as measured by the Consumer Price Index (CPI) for food away from home, increased only 5.3 percent last year versus considerably larger gains of 9.0 percent in 1981 and 9.9 percent in 1980. One reason why operators were able to hold down their prices was because their costs rose only modestly. Wholesale food costs for restaurateurs averaged only 2.5 percent higher in 1982 than in 1981. Lower prices for beef, veal, poultry and vegetables helped reduce overall food costs. Average weekly earnings increased about four percent in 1982, compared with a 6.7 percent rise in 1981.

Real sales growth (adjusting for inflation) for the foodservice industry in 1982 was up 1.2 percent. This compares favorably to the gain of only 0.4 percent in 1981. Eating places, which account for about 60.0 percent of industry sales, registered a significant increase in real sales last year—up 2.0 percent compared with a 1.0 percent rise in 1981.

—Celia Niepold



Percent change in foodservice economic indicators

Consumer prices	**1980-1981**	**1981-1982**
Food away from home	+9.0	+5.3
Food at home	+7.3	+3.4
All items	+9.6	+6.8
All items less food	+10.9	+6.6

Source: *Bureau of Labor Statistics*, Consumer Price Index

Food costs	**1980-1981**	**1981-1982**
All food	+3.0	+1.1
NRA's food cost index	+3.0	+2.5
Beef and veal	−5.0	−0.8
Fish and shellfish	+1.8	+11.8
Poultry	no change	−7.6
Pork	+11.5	+14.0
Dairy products	+6.4	+1.3
Vegetables	+22.6	−4.4

Source: *Bureau of Labor Statistics*, Producer Price Index; *NRA*

Labor costs	**1980-1981**	**1981-1982**
Average weekly earnings	+6.7	+3.9
Average weekly hours	no change	+0.4

Source: *Bureau of Labor Statistics*

Sales Costs	**1980-1981**	**1981-1982**
Total industry (percent change)		
Current dollars	+9.3	+6.4
Real dollars	+0.4	+1.2
Commercial group (percent change)		
Current dollars	+9.8	+6.6
Real dollars	+0.5	+1.[illegible]
Eating places (percent change)		
Current dollars	+10.3	+7.8
Real dollars	+1.0	+2.0

Source: *National Restaurant Association*

HALF BAKED

Holiday dressups for college fare

The University of Pennsylvania's dining services department really knows how to make a holiday come alive. Last year on St. Patrick's Day Peter Napolitano, director of dining services, planned a dinner which featured Irish lamb stew, Irish scones, clover leaf rolls and cookies with lime sherbet. A few extra items to add charm to everyone's favorite saint's day included green-colored frozen yogurt, a soup kettle filled with gold chocolate coins under a rainbow and piano (sing-long) music of ol' Ireland. Even a leprechaun appeared to pass out the gold coins.

That was last year. This year the University of Pennsylvania is gearing up for Mardi Gras with festivities designed to make students think they are in New Orleans.

The Mardi Gras dinner includes raw oysters on the half shell, seafood gumbo soup, tossed salad, shrimp creole, beef jambalaya, coqauvin, hush puppies with syrup, a sweet and sour bean medley, rice, stuffed baked potatos, cherries jubilee, fruit tortes, crepes au chocolat with whipped cream, as well as French, banana and carrot breads.

Students are encouraged to dress in the traditional Mardi Gras colors of green, purple and gold. Helium balloons will be used as centerpieces. A New Orleans jazz band will be playing. And King Neptune will be there throwing beads to the students.

—*NRA NEWS interview*

Take away some of the Uncle Sam blues

Tax day falls on a Friday this year. The only people who usually wait until the deadline to file their returns are those who have to pay [illegible] Do something special for the [illegible] last thing they'll probably want to do is go out and spend money. If you entice them with half-priced drinks during a happy hour that extends until midnight, they might come in. Don't forget a special all-you-can-eat dinner for $10.40.

Also be sure that you have extra tax forms available for your guests.

Print up a special menu for that day or one that extends for the entire week. Call your entrees, *individual return*—a complete meal for one; *itemized deduction*—choose between three different delights; *capital gains*—an all you can eat stew dinner; *capital losses*—an all you can eat salad bar; *supplemental income*—dessert.

—NRA *Promotion* Newsletter

Horseburgers on the run

Although pushcart venders are a common sight, a not-so-common item has hit the streets—horseburgers.

Ronald Corn and Morris Later have been issued a permit from the New York City Health Department to sell horseburgers and horse-steak sandwiches from pushcarts in midtown Manhattan.

Their company, called Chevalean Foods (which is the combination of the French word for horse and the word lean) has been in the business of slaughtering horses for export to Europe and the Middle East for 10 years. They have been selling sandwiches from carts in Boston, Hartford and New Haven for several months.

The horses are purchased at auctions, riding stables and summer camps. Later said that the meat's quality depends on the age and care of the horse. The older, well-fed horses make a better burger.

Later is convinced that horse meat will catch on with Americans once they realize that the meat has more protein and less fat than beef. It's cheaper and tastes good, too, says Later. The meat is made from 85 percent horse meat and 15 percent choice beef fat. "The beef fat gives the meat the taste of beef," Later explains.

Horseburgers—be watching for their appearance in your city.

—*New York Times*

NRA SEMINAR SCHEDULE

Simplified Baking Workshop

4/13	Syracuse, NY
5/5	Jacksonville, FL

Banquets and Buffets

3/9-10	Denver, CO
4/26-27	Las Vegas, NV

Bar Management

4/18-20	St. Louis, MO
5/2-4	Minneapolis, MN
6/13-15	Honolulu, HI

Off-Premise Catering

3/28-29	Des Moines, IA
4/11-12	Reno, NV
6/20-21	Minneapolis, MN

Computers

3/21	Kansas City, MO
4/25	Salt Lake City, UT
5/21	Chicago, IL (NRA Show)
6/20	Milwaukee, WI
6/23	Ann Arbor, MI
6/30	Buffalo, NY

Controlling Beverage Costs

3/10	Jackson, MS
4/6	Ft. Wayne, IN
4/12	Reno, NV
4/19	Rockford, IL
6/6	Duluth, MN
6/8	Fargo, ND
6/15	Little Rock, AR
6/23	Cheyenne, WY
6/29	Madison, WI

Controlling Food Cost

3/21	Milwaukee, WI
3/23	Omaha, NE
4/11	Washington, DC
5/2	Cleveland, OH
6/27	Evansville, IN
6/29	Lexington, KY

Controlling Labor Costs

3/14	Washington, DC
3/16	Portland, ME
3/31	Pittsburgh, PA
4/11	Philadelphia, PA
4/12	Richmond, VA

Restaurant Design and Facilities Planning

4/25-26	New Orleans, LA
5/21-22	Chicago, IL (NRA Show)

Dining Room Management

3/28	Minneapolis, MN
4/6	Albany, NY
4/11	Raleigh, NC
4/16	Portland, OR
4/26	Scranton, PA
5/3	Atlantic City, NJ
5/9	Boston, MA
5/21	Chicago, IL (NRA Show)
6/1	Boise, ID
6/14	Ft. Lauderdale, FL
6/28	Billings, MT
6/30	Anchorage, AK

Preparing a Successful Employee Manual

4/6-7	Atlantic City, NJ
5/21-22	Chicago, IL (NRA Show)

Eyeing, Buying and Selling Fish and Seafood

3/28	Philadelphia, PA
3/30	Cleveland, OH

Improving Food Production Methods

4/12	New York, NY
6/29	Hartford, CT

Hiring Hourly Employees

3/21	New York, NY
3/22	Philadelphia, PA
4/18	Austin, TX
4/20	Kansas City, MO
4/25	Wilmington, DE
5/21	Chicago, IL (NRA Show)

Kitchen Management

3/15	Atlanta, GA
3/22	Springfield, MO
3/24	Memphis, TN
3/30	Lansing, MI
4/7	Burlington, VT
4/12	Raleigh, NC
4/25	New York, NY
4/28	Roanoke, VA
5/2	Atlantic City, NJ
5/10	Providence, RI
5/12	New Haven, CT
5/22	Chicago, IL (NRA Show)
5/31	Denver, CO
6/13	Orlando, FL
6/16	San Juan, PR

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

5/21-22	Chicago, IL (NRA Show)

Planning and Implementing Restaurant Marketing Strategy

3/30-31	Indianapolis, IN
5/2-3	Miami, FL
5/21-22	Chicago, IL (NRA Show)
6/27-28	Boston, MA

Practical Meat Workshop

5/22	Chicago, IL (NRA Show)

Menu Development

4/18	Tucson, AZ
4/20	New Orleans, LA
5/4	Lancaster, PA
5/21	Chicago, IL (NRA Show)
6/27	Oklahoma City, OK
6/29	St. Louis, MO

Creative Merchandising Techniques

3/16	Hartford, CT
3/21	Charlotte, NC
4/21	Detroit, MI
5/22	Chicago, IL (NRA Show)
6/16	Louisville, KY

Motivation: Increasing the Desire to Do More and Better Work

5/3	Denver, CO
5/22	Chicago, IL (NRA Show)
6/1	Boston, MA

Operational Analysis

3/7-8	San Bernardino, CA
4/27-28	Denver, CO
5/21-22	Chicago, IL (NRA Show)

Basic Purchasing

4/18	Cincinnati, OH
5/9	Rochester, NY
5/21	Chicago, IL (NRA Show)

Basic Supervision

3/22	Wichita, KS
4/26	Omaha, NE
6/14	Columbus, OH
6/21	Grand Rapids, MI

Wine: Sales and Merchandising

5/22	Chicago, IL (NRA Show)

Spring 1983 schedule of study group meetings

Internal audit

3/15-18	Ft. Lauderdale, FL

Financial officers

4/6-8	Lake Tahoe, NV

Tax executives

4/6-8	Lake Tahoe, NV

Safety officers

4/13-15	New Orleans, LA

Market research

4/13-15	Scottsdale, AZ

Marketing executives

4/17-20	Scottsdale, AZ

Electronic data processing managers

4/19-22	San Antonio, TX

Quality assurance

4/20-22	Kansas City, MO

Foodservice purchasing managers

5/18-20	Chicago, IL

Multi-unit architects, engineers and construction officers (MAECO)

5/18-20	Chicago, IL

For more information contact Philip Kralavec at (312) 787-2525

NRA Restaurant Hotel-Motel Show: May 21-25

NRA Introduces 5 New Seminars

Planning and Implementing Restaurant Marketing Strategy

March 30-31, Indianapolis, IN
May 2-3, Miami, FL
May 21-22, Chicago, IL (NRA Show)
June 27-28, Boston, MA

You need to know your customers and competition. In this basic course you'll learn to research your market, and create successful promotion and merchandising tactics—from menus and pricing, to multi-media advertising.

Basic Purchasing

April 18, Cincinnati, OH
May 9, Rochester, NY
May 21, Chicago, IL/(NRA Show)

Save yourself time, money and aggravation. Whether it's choosing suppliers, evaluating products, financing, or inventory control, this seminar can teach you the basics or refresh your buying skills.

Motivation: Increasing the Desire to Do More and Better Work

May 3, Denver, CO
May 22, Chicago, IL/(NRA Show)
June 1, Boston, MA

Because you need more than theories! This course offers practical ideas and classroom exercise. You'll learn to identify superior workers, build teams—and leaders—and train employees for a motivated, effective staff.

Wine: Sales and Merchandising

May 22, Chicago, IL/(NRA Show)

A knowledge of wines is the key to successful wine sales. This program explains vintages, the wine-making process and food and wine-matches. You'll learn to describe – and recommend – wines to your customers.

Understand the wines you offer– and train your staff to sell them!

Banquets and Buffets

March 9-10, Denver, CO
April 26-27, Las Vegas, NV

Two great ways to expand your operation—and your profits! Buffets can be an attractive, cost effective serving style. Banquets are a way to offer a special service to your customers. Learn the basics of selecting service styles and developing specialties, as well as equipment needs, costing, forecasting, and quality control.

More information is available from **NRA Seminars,**
311 First Street, N.W., Washington, D.C. 20001 Or call **800-424-5156.**

National Restaurant Association

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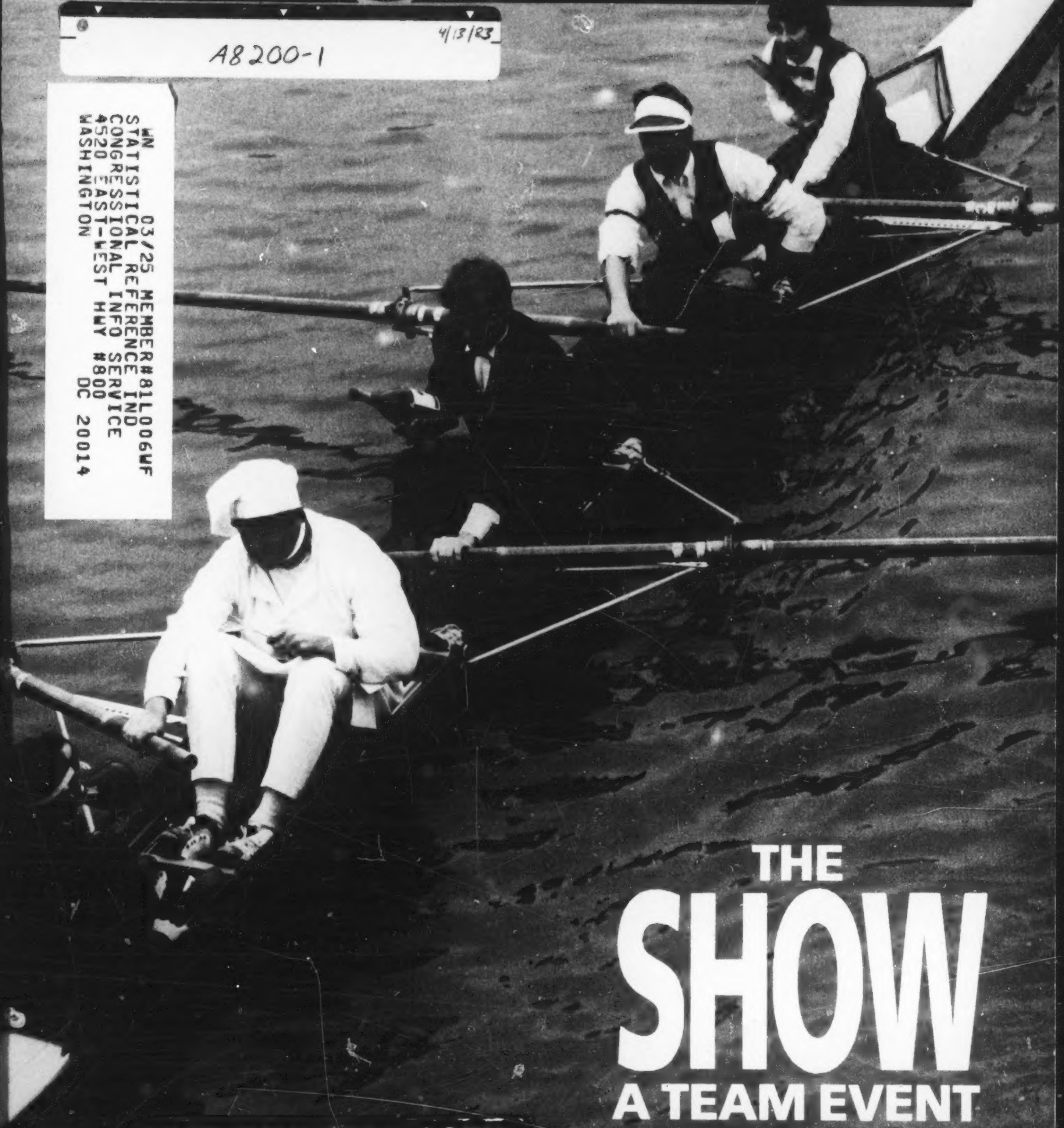

THE SHOW

A TEAM EVENT

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Come to the 1983 NRA Show

We look forward to seeing you at the 64th NRA Restaurant, Hotel-Motel Show. With 1,250 exhibitors, over 6,100 new products and services and an estimated attendance of 85,000, this year's Show is where it's at for the foodservice industry.

Producing the Show is one of the most valuable services the NRA supplies its members. There in McCormick Place you can see the latest products needed to run your operation. You can examine the most advanced equipment being produced today. You can meet the most exciting innovators in the industry. It's all there, served up for you.

To complement the hustle and bustle of activity on the exposition floor, NRA has lined up an impressive schedule of educational and special events that will make your experience at the Show more informative and valuable.

There will be 45 different educational programs to choose from—from full-day seminars on such hard-hitting topics as computers and operational analysis to NRA's popular theater series and management clinics. Tom Peters, best-selling author of *In Search of Excellence*, will talk about what it takes to run a foodservice operation in the most efficient and profitable manner.

Special features include an opening address by former Secretary of State Alexander M. Haig, Jr.; the announcement of NRA's new chief officers and NRA's "first ladies luncheon," honoring the first ladies of NRA and featuring former first lady Betty Ford as guest speaker. The U.S. Culinary Olympic Team, a corps of expert chefs who will compete for international recognition in Frankfurt, Germany in October 1984, will compete at the NRA Show. An estimated 2,000 runners are expected to participate in "The Main Course," a 10-kilometer race along Chicago's beautiful lakefront—a popular event at the Show for the last three years.

The location is McCormick Place, Chicago, Illinois. The dates are May 21-25. The host is your trade association. The guests are the whole foodservice industry.

Sincerely,

Ted J. Balestreri

Ted J. Balestreri
NRA Convention Committee
Chairman

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Menu courtesy ABCO Restaurant Supply, Alexandria, VA; waitress uniform courtesy Lynford Uniform Service, Fairfax, VA; chef's hat courtesy National Linen Service, Alexandria, VA.

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Kitchen Design 23 At this year's Invitational Design Exposition, which will be held during the NRA Show, foodservice designers will pay well-deserved tribute to the kitchen. Here are some pointers from several of the participants.

Clip-ons 29 Menu clip-ons have blossomed into an important promotional tool. Here are some tips for designing clip-ons that encourage patrons to sample some of your specially-prepared items.

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Mark Borchelt

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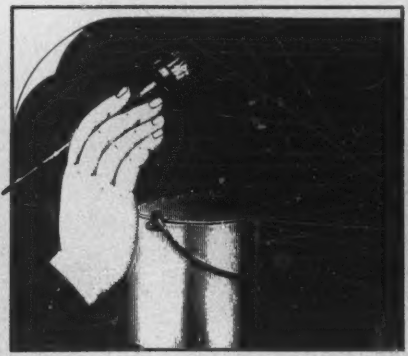
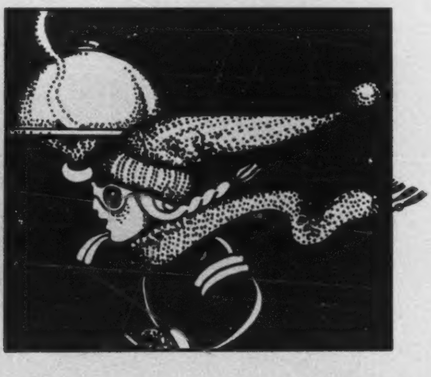
- The Culinary Olympics is more than a competition





SHORT ORDER

Tips for communicating with the deaf

The National Technical Institute for the Deaf has developed an attractive brochure to help restaurateurs deal with hearing impaired workers and patrons. This booklet is entitled "When communicating with deaf employees (and customers)." It is available by calling (716) 475-6400 or writing One Lomb Memorial Drive, P.O. Box 9887, Rochester, NY 14623. For more information on this subject, call Colleen Foote, employer developer specialist (716) 475-6710.

Four NRA members receive Silver Plates

Four NRA members have received the International Foodservice Manufacturers Association (IFMA) 1983 Silver Plate awards.

IFMA awards the prestigious Silver Plates each year to eight outstanding foodservice executives, each representing a major industry segment. The recipients are chosen by foodservice business press editors and current Silver Plate award winners for their outstanding and lasting contributions to their business establishments, the foodservice industry as a whole and society.

NRA member winners. . .

NRA board member **Walter J. Conti,** chairman and owner of Conti Cross Keys Inn, Doylestown, PA, is the Silver Plate recipient in the full-service restaurant category. Conti is recognized throughout the industry for his successful foodservice management techniques, including daily training programs with management and kitchen staffers, weekly financial reports, daily inventory maintenance and strict quality control.

Joseph W. F. Gardiner, senior vice president of food and beverages for the Hilton Hotels Corporation, Beverly Hills, CA, was named in the hotels, motor inns, resorts and clubs category.

Gardiner is credited with developing many innovative concepts for the Hilton Hotel chains including "food fantasy," a lavish, self-service shopping arcade which features elaborate salad bars and sandwiches made to order and a five-year operation plan for each of the Hilton's properties, showing at-a-glance trends for occupancy, covers by category, average check per meal, department revenues as well as profits per occupied room.

Donald M. Jacobs, director of dining services for the University of Pennsylvania, Philadelphia, PA, was chosen in the colleges and universities category.

Because of Jacob's outstanding financial and operational management techniques, he was able to turn around a one million dollar deficit in the university dining services in 1974 to a profit of $700,000.

One technique he used was to institute a computerized recipe and nutrition program.

Jim L. Peterson, president and chief executive officer of Whataburger, Inc., Corpus Christi, TX, won in the fast service restaurant category.

Peterson is recognized throughout the industry for his innovative operational and management techniques.

Peterson is credited with the "made to order" concept that uses a new technology system to provide rapid service for individual customer orders in drive-through and walk-up services. He also developed one of the first unit manager incentive programs in the industry.

Other winners. . .

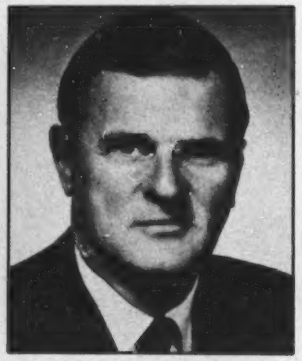
The other Silver Plate winners are Glenyce G. Feeney, director of dietetic services at the Oklahoma Dept. of Correction in Oklahoma City (winner in the public institutions and military category),

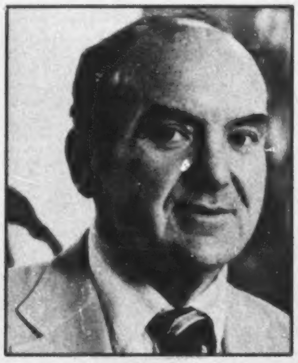
- ☆ Shirley Watkins, director, division of school food & nutrition, Memphis city schools in Memphis, TN (winner in the elementary and secondary schools category),
- ☆ Jack Galione, president/founder of Corporate Food Services, Inc. in New York City (winner in the contract/industrial category) and
- ☆ Barry Hutchings, foodservice director of the Swedish Medical Center in Englewood, CO (winner in the hospitals and health care establishments category).

Gold plate banquet. . .

Silver Plate recipients are candidates for the Gold Plate awarded to the Foodservice Operator of the Year. This award is presented at the Gold Plate banquet during the NRA Show on May 23 at the Conrad Hilton in Chicago.

Walter Conti


Joseph Gardiner


Donald Jacobs

Jim L. Peterson

THE BOARD ROOM

President Dankos hosts New York press conference

On Friday, February 25, 1983, NRA President John Dankos hosted a press briefing and luncheon at New York's Waldorf-Astoria announcing the 1984 U.S. Culinary Olympics Team.

The 12-member team, recently selected from contestants in a series of tryouts across the nation, will compete in the International Culinary Olympics in Frankfurt, Germany, in 1984.

In his opening remarks Dankos praised the evolution of American cooking. "People used to think of American cuisine as soda pop and borrowed recipes," he said. "But this country has a high quality cuisine, a cuisine of its own which grew up in the kitchens of New England, New York, New Orleans, Virginia and San Francisco. This cuisine continues to grow in the restaurants of America. We are using native recipes and native products to make truly American dishes, and where we have borrowed, we have transformed."

Dankos told the press, "The U.S. Culinary Olympics Team has helped dispel the myths surrounding American cooking. The 1980 Culinary Olympics Team won 32 gold and 2 silver medals. This showed people abroad and folks at home that American cooking is of the same high calibre as food served in any of the traditional centers of good eating. We want to get that message across again in Frankfurt in 1984."

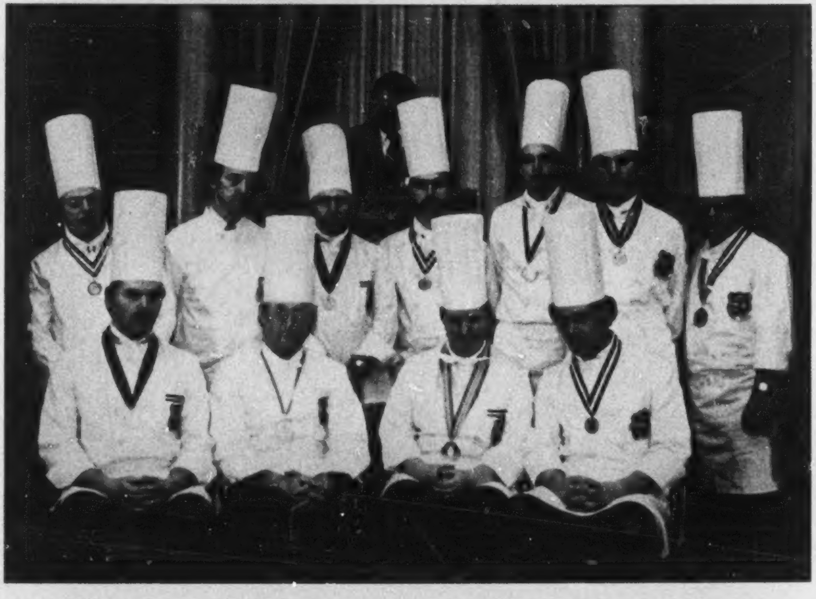
The press luncheon, held in the kitchen of the Waldorf and served by the newly-selected 1984 U.S. Culinary Olympics Team, featured the award-winning Olympic entree Turkey Oklahoma and Cajun Shrimp—an experimental dish under consideration for the 1984 international competition.

The 12 chefs named to the 1984 U.S. Culinary Olympics Team are: Richard Schneider, Silver Lake Inn, Clementon, NJ; Lawrence T. Ryan, Culinary Institute of America, Hyde Park, NY; Lyde Buchtenkirch, Culinary Institute of America, Hyde Park, NY; Daniel Hugelier, Detroit Athletic Club, Detroit, MI; Gunther Heiland, Bellevue Stratford, Philadelphia, PA; Lars Johansson, Johnson & Wales College, Providence, RI; Mark Erickson, Greenbrier, White Sulpher Springs, WV; Raimund Hofmeister, Century Plaza, Los Angeles, CA; Siegfried Eisenberger, Opryland Hotel, Nashville, TN; Victor Gielisse, Westin Hotel, Dallas, TX; Marcus Bosiger, Westin Galleria, Houston, TX and Helmut Loibl, Culinary Institute of America, Hyde Park, NY.

—*Dorothy Dee*

difficult immediately,
impossible ... minutes longer

ABC Network News catches members of the 1984 U.S. Culinary Olympics Team displaying the award-winning entree, Turkey Oklahoma.



1984 U.S. Culinary Olympics Team *Top row from left to right:* Lars Johnansson, Gunther Heiland, Helmut Loibl, Ferdinand Metz, President of the Culinary Institute of America and the American Culinary Federation, Raimund Hofmeister, Mark Erickson, Siegfried Eisenberger, Marcus Bosiger *Left to right bottom row:* Lawrence T. Ryan, Richard Schneider, Lyde Buchtenkirch and Daniel Hugelier.

WASHINGTON REPORT

FDA requests labeling for sulfites

The Food and Drug Administration (FDA) has called upon states who have adopted FDA's model health codes to instruct retailers who use preservatives containing sodium bisulfite to let customers know by "appropriate labeling." Sodium bisulfite is used in diluted form by some restaurateurs to prevent discoloration of fresh fruits and vegetables.

In an interpretation of its model health codes, FDA said "acceptable consumer notification must include use of conspicuous and easily readable labels, signs, placards or menu statements, such as 'sodium bisulfite added' or 'sulfiting agents added to preserve natural appearance and freshness.'"

FDA added that if a retailer does not tell consumers that he has added sulfiting agents to fruits, vegetables and other foods, these foods will be considered unsafe and their sale will constitute a violation of Section 2-101 of the model codes.

FDA's interpretation follows NRA alert. . .

The FDA's interpretation came on the heels of an NRA Alert sent to members in February, which warned of the reported health hazards associated with the use of sulfiting agents and recommended that NRA members suspend use of preservatives containing the chemicals. Although FDA's model codes have not been adopted in 24 states, the agency said these states and many localities within these states may be expected to incorporate the interpretation into their own health codes. Operators should check with their local health officials to determine their locality's policy on this issue. NRA continues to recommend that members stop using preservatives that contain sulfiting agents.

FDA also warned in its March 4 notice that "food supplies being received by a retail operator might have been treated with sulfiting agents earlier in the distribution system by packers, processors or wholesalers."

However, the United Fresh Fruit and Vegetable Association, whose members handle more than 80 percent of the fresh produce commercially marketed in the United States, maintains that "the vast majority of fresh fruits and vegetables grown in this country are not treated with sulfiting agents prior to shipment and delivery to receivers."

Why sulfiting agents are used. . .

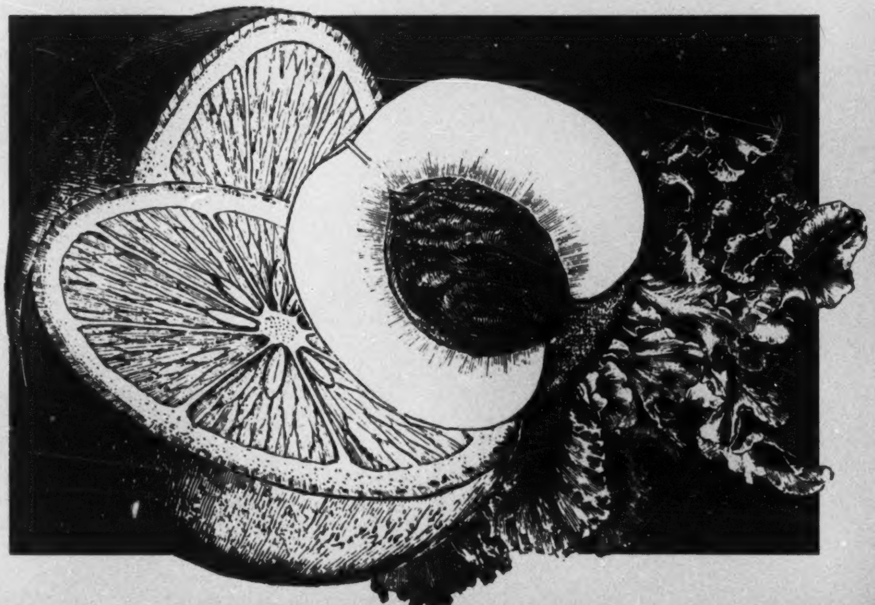
Many raw foods, when exposed to air, rapidly discolor or otherwise lose their natural appearance. Lettuce wilts and browns around the edges; shrimp, cut apples and peeled potatoes become brown; avocado turns black. In order to slow these oxidation processes, restaurateurs have sometimes treated these foods with chemicals known as sulfiting agents. These chemicals, frequently sold as "vegetable fresheners" or "potato whiteners," retard browning and generally help maintain the fresh appearance of foods.

Sodium bisulfite and sodium metabisulfite are the most common forms encountered in retail food establishments. Restaurant employees sometimes dip or soak food in sulfite solutions. It is also possible to spray sulfite solutions onto foods. The granular/powder form is sometimes added directly to such foods as dough, guacamole and mashed potatoes.

Sulfiting agents have come under increased scrutiny since FDA proposed last summer that they remain on the agency's Generally Recognized as Safe (GRAS) list with minor restrictions. After the FDA proposal was published, the Center for Science in the Public Interest charged that use of the chemical has been linked to acute reactions in at least 12 cases and that medical reports show "near-fatal hypersensitivity reactions" in some people, especially asthmatics. Symptoms have included wheezing, severe shortness of breath and even coma. The center requested that FDA restrict the use of sulfiting agents to a safe residue level in food or require labels on those food products in which sulfiting agents must be used in greater amounts to perform essential public health functions.

A mixture of citric and ascorbic acids could replace sulfiting agents. . .

The public interest group also claimed that sulfiting agents perform many unnecessary or cosmetic functions in food and drugs, "for which adequate substitutes exist . . . A mixture of citric and ascorbic acids, both of which are safe, could replace sulfiting agents in many of these uses. Restaurants could also prepare smaller batches of foods more frequently."



TIP REPORTING UPDATE

A reminder: Allocation has begun

Beginning April 1, restaurateurs covered by the new tip reporting law must allocate tip income to employees when total tips reported do not equal or exceed eight percent of the establishment's gross receipts for a given period.

Allocation must be performed at least every 31 days either by means of a "good faith" agreement or by an IRS-prescribed formula. Total allocated amounts for each employee will be recorded on Form W-2.

Remember, tip income allocated to an employee is not subject to withholding. Allocation under the new law is only for reporting purposes. Employers should withhold personal income and Social Security taxes to the extent tips are reported to them by their employees but not on tips that are merely allocated.

Any incorrectly withheld amounts should be refunded to the employee, and correct amounts should be reported on Form 941, Employer's Quarterly Federal Tax Return. If the error is discovered after a Form 941 has been filed, the employer should correct the error by attaching a Form 941c, Statement to Correct Information, to the next Form 941 that is filed.

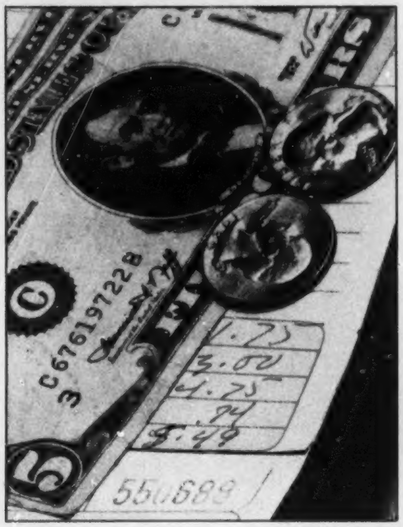
For more information about the allocation procedures under the new law, contact NRA's government relations department or legal department in Washington, DC (800-424-5156).

Who's covered by the new tip reporting law?

The new tip reporting law covers those full-service restaurants that (1) have employees that customarily receive tip income and (2) have in the preceding calendar year employed more than 10 full-time employees on a typical business day.

Let's take a closer look at these conditions. By the term "customarily receiving tips" IRS (the Internal Revenue Service) means those employees that receive at least $20 a month in tips. An employee who occasionally receives small amounts of tip income is not a tipped employee. Generally, tipping is not considered customary for cafeterias.

IRS arrived at the 10 employee figure by deciding that it takes 10 employees, each working a full day, to equal 80 hours of work—the number of daily hours specified in the regulations. For the purposes of determining the number of full-time employees, restaurateurs must count all employees, not just tipped employees.



How to determine a "typical business day". . .

To determine a "typical business day" in the preceding year, an employer must average the number of hours worked on a typical day in the establishment's busiest month and the average number of hours worked on a typical day in the establishment's slowest month.

For each of these two months, total hours worked by restaurant employees are divided by total number of days open during the month. These two figures are then averaged to obtain the total hours worked on a typical business day for the entire year. If this figure is 80 hours or less, the establishment is not covered by the new law.

Also, if an employer of a foodservice establishment is a member of a controlled group of corporations, then all employees of all units are treated as if they are employed by one employer. In other words, if an operator owns controlling interests in several restaurants, he must include all employees of all his restaurants in his calculations.

IRS example explains 80-hour rule. . .

How to calculate the 80-hour rule is best explained in the following example taken from the IRS regulations:

"**Example:** An employer had three food or beverage operations that were open for business in January (the month that the aggregate gross receipts from the operations were the greatest) and September (the month that the aggregate gross receipts from operations were the least).

"In January, operation A was open 31 days with 2,500 hours worked, operation B was open 20 days with 1,000 hours worked, and operation C was open 24 days with 1,500 hours worked. The average number of days the employer's food or beverage operations was open for business in January was 25 days (75 days/3 operations), and the average number of employee hours worked per business day during January was 200 (5,000 hours/25 days). If the average number of employee hours worked per business day during September was 60, this employer would be considered to have normally employed more than 10 employees on a typical business day—as 260/2 is 130—which is greater than 80 hours. The result would be the same if the employer at each of the three food or beverage operations were a different corporation, but all three corporate employers were members of the same controlled group of corporations."

Bills introduced in Congress to repeal tip reporting

Responding to complaints from tipped employees and foodservice operators, nine congressmen and one senator have introduced legislation to repeal the new tip reporting law. The legislation calls for the repeal of Section 314—the tip reporting provision—of the Tax Equity and Fiscal Responsibility Act of 1982. Section 314 became effective Jan. 1 of this year and has been implemented through proposed rulemaking by the Internal Revenue Service (IRS).

The law was vigorously opposed by NRA last year because of the record-

TIP REPORTING UPDATE

keeping burden it would cause employers and because it requires employers to designate income to tipped employees. NRA officials are now considering legislative alternatives for easing its compliance burden.

Legislation to repeal the law was first introduced by Sen. Larry Pressler (R-SD) on Dec. 20, 1982, during the lame duck session of the 97th Congress. The legislation was not taken up before Congress adjourned. Pressler reintroduced his bill (S. 115) again on Jan. 26, 1983. It has been referred to the Senate Finance Committee.

The senator is joined in his repeal efforts by U.S. Reps. Ron Paul (R-TX), George Hansen (R-ID), Paul Hammerschmidt (R-AR), Bob Traxler (D-MI), Glenn English (D-OK), Jerry Lewis (R-CA), Joseph M. McDade (R-PA), Tom Lantos (D-CA) and Ron Marlenee (R-MT). All nine congressmen have introduced their own bills to repeal the tip provision. Rep. Paul's bill, H.R. 1206, has six cosponsors: Reps. Douglas H. Bosco (D-CA), Barney Frank (D-MA), Harold Rogers (R-KY), Robert F. Smith (R-OR), Bob Stump (R-AZ) and Robert S. Walker (R-PA). The House bills have been referred to the Ways and Means Committee.

NRA's Board of Directors has appointed an emergency task force to study legislative options available to the industry and to quickly make recommendations for an NRA plan of action.

President Reagan asks for decontrol of natural gas

President Reagan has sent a plan to Congress to decontrol natural gas prices by Jan. 1, 1986. The administration's plan would drop all controls from all gas, but the proposal would not let prices rise as much as under current law.

NRA estimates that approximately two-thirds of the energy consumed for cooking, heating water and room heating by the foodservice industry is in the form of natural gas. In the past, NRA has supported decontrol as a means of ensuring future availability of natural gas supplies.

White House conference on productivity

Alarmed by the decline in U.S. productivity, Congress has passed legislation to establish a White House Conference on Productivity to study the decline and its threat to economic prosperity. The conference, required by law to convene before Oct. 15, 1983, is designed to bring together experts in the field of productivity, government officials, executives of business associations, labor organizations and academic institutions as well as representative workers. These individuals will examine the sources of the productivity decline and will consider some of the proposals to solve the problems that have surfaced in recent years.

Conferees to consider various options. . .

Conference participants will focus attention on some of the elements that may help to improve productivity growth, including new approaches to labor-management relations, alternatives to current methods for financial analysis of proposed capital investments, robotics, capital formation and regulatory policy.

Specific options for improving productivity include

- reorganizing the federal government so that it can best promote productivity improvement in the private and public sectors
- improving the training and skill level of American labor
- revising tax laws to encourage companies to take actions to improve productivity
- reviewing antitrust laws and patent laws to see if changes can be made to improve productivity, and
- redirecting government efforts to inform American businesses of foreign technological developments.

"Our level of productivity, or rate of output per unit of input, influences the level of our standard of living and our balance of trade," says Sen. Harrison Schmitt (R-NM), who introduced the bill signed into law on Oct. 15, 1982. "If wages and salaries rise without compensatory productivity gains, they translate merely into inflated prices."

What caused the slump? . . .

Economists have identified a number of factors that have contributed to the decline in productivity.

(1) *The tremendous increase in energy costs that occurred as a result of the 1973 oil embargo.* This hike caused a shift away from goods produced with or using large amounts of energy, and low energy using industries tend to have lower rates of productivity growth.

(2) *The high cost of financing the purchase of productivity-increasing capital equipment.* Such purchases have been deferred as a result of persistently high interest rates.

(3) *The change in the age and sex composition of the work force*, resulting in larger numbers of inexperienced and allegedly less productive employees.

(4) *The proliferation of government regulations and red tape during the 1970's*, which has caused a diversion of capital investment into largely nonproductive outlays.

However, Sen. Schmitt said that as the country moves through the recession of 1981-82, some new forces at work may act to reduce the prices of capital and/or energy relative to labor. These "forces," he said, are embodied in the Economic Recovery Tax Act of 1981.

—Jay Morris

The Department of Commerce and the American Productivity Center have estimated that the average American household would have an additional $5,500 in real income last year if U.S. productivity in the last eight years had increased at the same rate as during a 26-year period following World War II. U.S. productivity, or output per hour of all Americans, grew fairly steadily at an annual average rate of 2.5 percent between 1948 and 1974. However, from 1974 to 1978, it remained almost flat, and in the last four years it has actually declined by about one percent.

BEST AVAILABLE COPY

STATE DEPARTMENT

Private industry and government join forces to train the economically disadvantaged

When the new Job Training Partnership Act goes into effect this October, it will be a bonanza for the foodservice industry as it aims at job training, not job making. The act which replaces CETA (Comprehensive Employment Training Act), is unlike any other federally-funded program for job training. For the first time, private industry has equal responsibility with government in shaping federally-funded job training programs for economically disadvantaged youngsters and adults.

The partnership will operate through local Private Industry Councils (PICs) and the chief locally elected official. Local business leaders will make up at least 51 percent of each council's membership. The chairperson of each council also must be a business representative. The other PIC members will represent educational institutions, organized labor, rehabilitation agencies, community-based organizations, economic development agencies and the public employment services. The Local Private Industry Councils will oversee policies to decide the use of funds and the local job training plans, and they will monitor the training programs. In other words, PICs and local officials will choose who receives funds, who administers funds and who operates the programs.

Restaurateurs can and should be involved in local PICs. . .

The Department of Labor (DOL) urges industry to take action now to guarantee the success of this industry/government partnership. State restaurant associations and local chapters should take advantage of this unique opportunity to make themselves heard both at the state level and in local Private Industry Councils. Nominations for membership in PICs are made through local business organizations.

The job training partnership will have an estimated budget of about $3 billion dollars. Each state will begin receiving a block grant on Oct. 1, 1983, based on an allocation formula that considers unemployment and the number of economically disadvantaged individuals in the area. The governor of each state will administer the grant.

Governors are now appointing a state Job Training Coordinating Council in their states to plan, coordinate and monitor state employment and training programs and services. This state council will link all services or job-training activities throughout the state but it will not operate programs or provide direct services. The council, appointed by the governor, must not only have a non-government chairperson but it must also draw one-third of its membership from business and industry (including business representatives from local councils).

In the local areas, Private Industry Councils (PICs) have responsibility to organize and oversee the operation of local training programs. Each unit area for training will be provided for a population of 200,000 or more under a local government. In less populous regions, a unit area may be a combination of government units, such as counties, towns and villages.

Who is eligible for training. . .

The target population for training are the economically disadvantaged. They include various categories of people: members of families below the poverty line, welfare recipients, dislocated workers in high unemployment areas, unemployed teenagers 16 years and over, high school dropouts, persons over 55 years of age, the chronically unemployed and those individuals who are experiencing barriers to employment, such as the handicapped, those having limited English language proficiency, displaced homemakers, teenage parents, veterans, offenders, alcoholics or addicts.

A broad range of programs is encouraged, including summer work for economically disadvantaged youngsters, 14 and 15 years of age. The act provides for every helpful service within a training program and encompasses such things as

- skills training
- on-the-job training—both public and private
- combination of on-the-job training and classroom training
- programs to develop work habits
- job counseling
- job search assistance
- remedial education, such as basic reading, writing and arithmetic
- work experience
- follow-up activities and

The Job Training Partnership Act gives foodservice managers and operators access to training programs. The benefits can be a slowing down of turnover, retention of employees who may be ready to climb the career ladder and discovery of new employees who can fill entry-level positions. The counseling and follow-up services for the trainees are other assets and, if a new qualified employee is impaired, the employer is still eligible for the Targeted Job Tax Credit (TJTC): a 50 percent benefit of the employee's wages up to $6,000 the first year and 25 percent the second year.

Recent developments. . .

In January the Department of Labor (DOL) issued proposed regulations to meet the provisions of this act. These regulations will be issued in final form by March 15 so that each state can begin planning and preparing for the October 1 implementation date. The Department of Labor will accept comments on the proposed regulations until April 15. The proposal covers three of the five Job Training Partnership Act sections (called titles) and lays out basic operating principles.

Among the key features of the proposed regulations are such things as

- reinforcement of the principle of a minimal federal role
- details relating to fiscal accountability and controls
- classification of training versus non-training costs and
- grievance procedures.

For additional information, contact NRA's Washington office, (800) 424-5156 or (202) 638-6100.

—Brother Philip Nelan

THE HUMAN SIDE

Quality vocational education: A foodservice priority in the 80's

Now is the time to contribute to upgrading the quality of foodservice education, concluded a panel of distinguished foodservice operators and educators. In a presentation before the American Vocational Association, the NRA/American Vocational Education Industry Association talked about the need for operators to expose more teachers, counselors and students to the field of foodservice and the career opportunities it offers.

The full text of this presentation will be published by NRA in August 1983 for distribution to schools, restaurant associations and foodservice organizations. Here are some highlights from comments by several of the participants which describe what they are doing to contribute to quality vocational education.

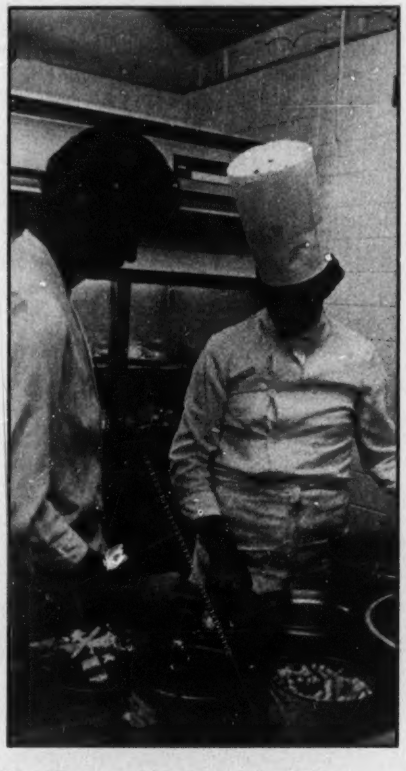
State association moves away from advisory role. . .

"We were at one time involved primarily with the advisory committees in a lot of different schools," said Stan Kyker, executive vice president of the California Restaurant Association. "We found that we were unable to provide the kind of input the programs needed in order to do a good counseling job. So we started looking at some ways that we could conduct workshops and make presentations at meetings."

Kyker reported that his organization has developed tours to bring teachers into restaurants and other types of foodservice operations. The California Restaurant Association also holds an annual full-day seminar for foodservice teachers and counselors. According to Kyker, this program, now in its third year, is a success because "it exposes teachers and counselors to what the industry is about and what the career opportunities are."

Red Lobster conducts 12-week training program. . .

The Red Lobster Inns of America have started a program with the Rochester Institute of Technology (NY) to orient students to Red Lobster's management approach. "Although the program is quite basic, it has yielded us fantastic dividends," says Dr. Ray Kavanaugh, the company's director of human resources.



Hands-on experience is a good way for students to develop the skills they need for a career in the foodservice industry.

Here is how the program works. A regional personnel manager visits the school to describe the Red Lobster Inn management approach. Students who are interested in the company are then invited to compete for a 12-week training program. The personnel manager and a group of faculty screen those seniors who apply.

Once the potential candidates have been identified, the personnel manager interviews the students in an actual interview setting. Those candidates who are hired are then assigned as trainees to one of the Red Lobster restaurants in the Rochester area. "All of the requirements that we place on our regular trainees are the same for these people," explains Kavanaugh. "Following that 12-week training program, we then may extend the student an offer to continue in management with Red Lobster."

Massachusetts restaurateurs provide on-site training. . .

Peter Crafts, director of foodservice and training for the Minuteman Vocational Technical School District in Lexington, MA, described the financial predicament faced by his school and the way the restaurateurs in his state helped supplement the school's dwindling budgets. "Our budgets this year will probably be 20 percent less than they were five years ago, with a net loss of around 40 percent," he laments. "We've lost teachers. We've lost replacement equipment. We've lost the ability to expand. We've lost the ability to update and modernize. It's frustrating. So we've turned to industry. We should have turned to industry a long time ago; we just never felt the need for it.

Nancy Dini, NRA director and owner of Dini's Sea Grill in Boston, MA, agrees that students learn most by working one-on-one with industry people. "To really fully understand a job, you don't just sit down and teach it. I think it makes much more sense to say, 'Why don't you come with me, I have a friend who works in a cafeteria. You're interested in nutrition or institutional type feeding. Follow this person around today; get an idea of what is going on in this field and see if you like it.'

"We as independent restaurateurs and operators can do the same thing," she adds. "I will be going out next week to speak on restaurant management to a group of students at a high school in Massachusetts, but I'm not going out there by myself. I'm taking a successful product with me. Do you know what that product is? My dining room supervisor who will relate to these youngsters far more effectively than I ever could."

—Walter Ashcraft

THE SHOW

A TEAM EVENT

All aboard! Now's the time to get your team together for the 64th annual National Restaurant Hotel-Motel Show, May 21-25, in Chicago. This, the largest, most dazzling and most informative of foodservice shows, is not a one-person affair. Acres of exhibit space, hundreds of hours of educational sessions, thousands of contacts cannot be covered by you alone. So bring your chef, your manager, your accountant, your maitre d' and anyone else who can be your eyes and ears and feet. Each person you bring will gain from

(continued on next page)

All aboard

Feast at the NRA Show

the experience both personally and professionally. This will enrich your operation.

What's on the agenda? Five days of exposition, a culinary arts salon, a hot foods competition with the 1984 U.S. Culinary Olympic Team, kitchen layout designs, menu contest winners and 45 separate educational sessions from shop talks to mind stretching sessions with some of the leading thinkers of the day.

You can see the latest products you need to run your operation, try out the most advanced equipment produced today, meet the most exciting innovators in the industry and get a sneak preview of NRA's Hospitality Project.

You can participate in the changing of officers and directors. You can hear special presentations by four-star general Alexander Haig, NBC Today Show host Bryant Gumbel and former First Lady Betty Ford. You can dance to The Association, muse on jazz and romp to Merle Haggard. And you can start it all by running in the popular Main Course race.

For a more detailed look at what's in store for you at the Show, here's a special Show preview. As you'll quickly realize, this is one event you will not want to miss.

Alexander Haig to open 1983 NRA Show

If the race doesn't get your heart racing, the opening festivities surely will. Following a musical warm-up by George King & the Fellowship, NRA President John Dankos will officially open the NRA Show. Sharing the podium with him will be one of the world's most controversial personalities, Alexander Haig.

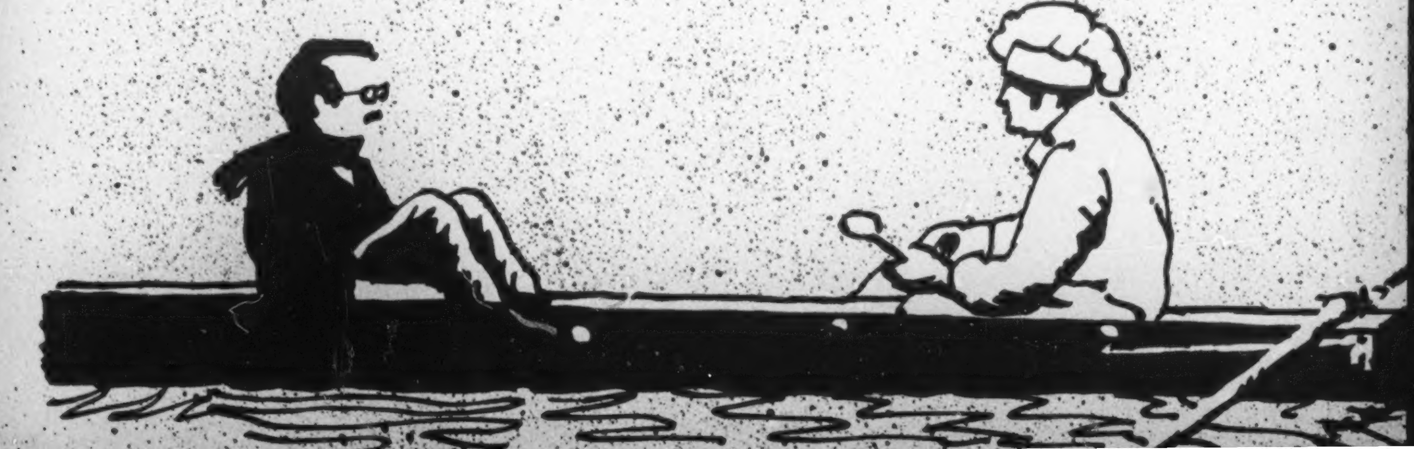
Haig, a retired four-star general, is an often-quoted speaker on such topics as foreign policy, national security and the North Atlantic Treaty Organization (NATO).

Whether you agree with Haig or not, he is never dull. Don't miss him at NRA's Opening Day Program, Sunday, May 22, at 2 p.m. in McCormick Place's Arie Crown Theater.

Welcome! Bienvenue! Willkommen! Bienvenidos!

International guests are made to feel at home at the NRA Show, and, as a result, their numbers are growing each year. This year international attendance should get a special boost from the Department of Commerce, which has named the NRA Show among the 15 trade events it promotes throughout the world.

The NRA is ready to accommodate these visitors. At the International Business Center in McCormick Place, where foreign participants can become acquainted with the Show and each other, there will be personnel to translate English into five languages—French, Japanese, German, Spanish and Italian.



The warm-up

The first course

Get in shape for the third annual Main Course race

Get out your jogging shoes. Now's the time to start training for the third annual Main Course race. This breathtaking 10-kilometer (6.2 mile) run along Chicago's lakefront is an exhilarating way to celebrate the opening of the 64th annual NRA Show. It promises to build a feeling of fitness and endurance that will come in handy for making the rounds of the exhibit floors.

The race also builds fellowship. Appropriately nicknamed the most hospitable race in the U.S., last year it attracted participants from 32 states and four countries. Although the number of runners has remained fixed at 2,000, this year the competition will take on a new twist. For the first time, contestants will be allowed to run in teams.

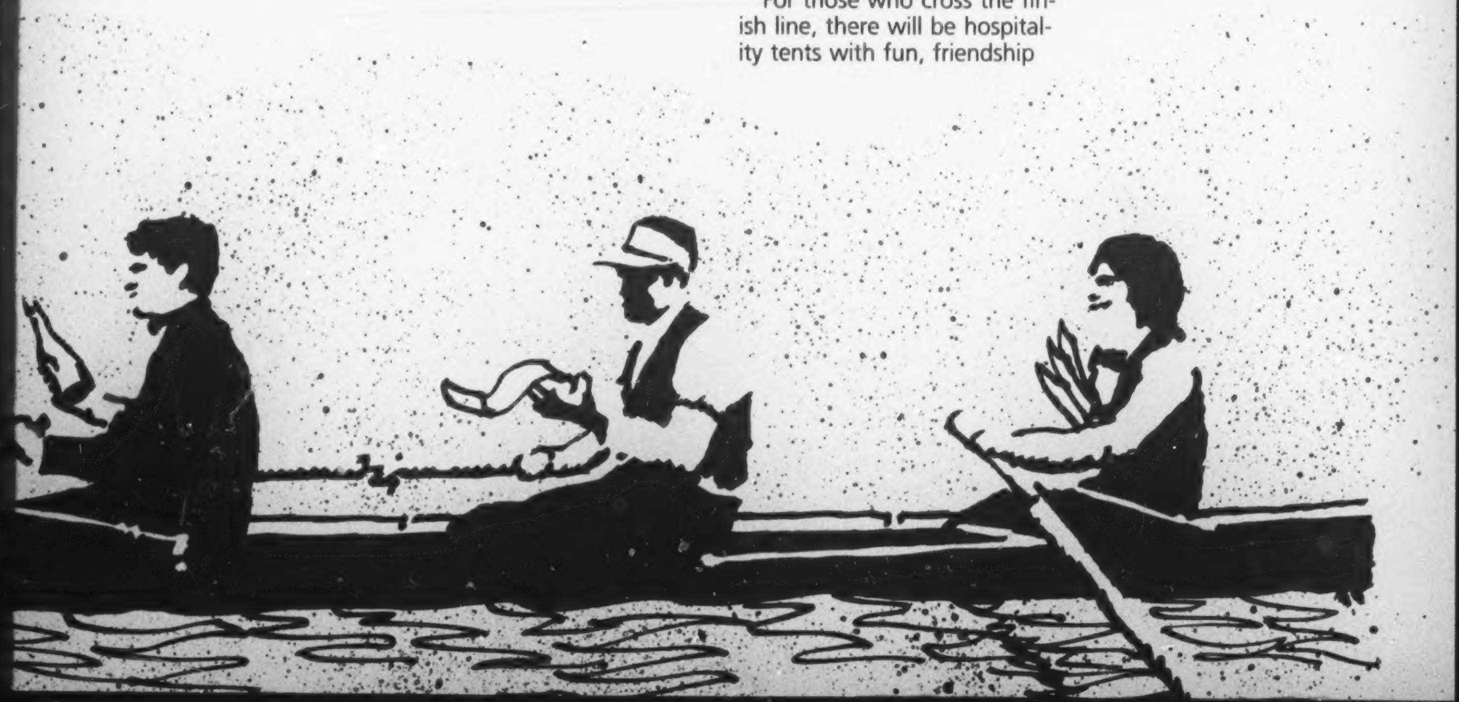
Awards will be presented to the winning team, to the first place male and female finishers as well as to the top three men and women in each of the 12 age categories.

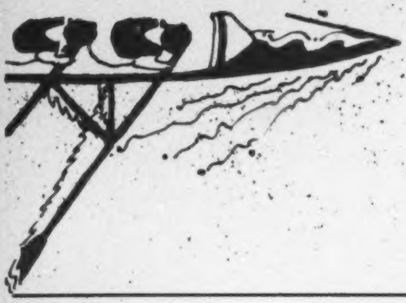
Despite the competitive spirit inherent in the race and recognition for top runners, all runners in the Main Course are winners. Just by entering the race and paying the $5.95 tax-deductible fee, contestants will receive an assortment of mementos. These souvenirs include a six-color, 100 percent cotton silk-screened t-shirt from NRA and Silk Screen Shirts, a kool-wrap from Natural Light, a sun visor from Sunkist Soft Drinks, a jogging shoe pocket from Pepsi, a measuring cup from Edward Don and discount coupons from Perrier. All participants also become eligible for dozens of prizes, including a trip for two to Hawaii—complete with airfare, hotel accommodations and ground transportation—donated by IBT, the NRA Show's official travel agency. This is the main prize of the "you don't have to win to win" random drawing at the awards ceremony of the race.

For those who cross the finish line, there will be hospitality tents with fun, friendship and refreshments. There will be things to eat—from a cup of bean soup from the Michigan Bean Commission to Kellogg's cereal, Kraft cheese and crackers and General Mills granola bars. There will be things to drink—from Natural Light beer to Pepsi Cola and Sunkist soft drinks or Perrier water.

The starter's horn will go off at 8:00 a.m. sharp on Sunday, May 22. Veteran runners say the course, a fully certified route by the Athletics Congress, is a delight because of the view of Chicago's skyline. This year music along the way should make the running easier.

Advance registration is required. For an application, contact the race director in NRA's convention department in Chicago, One IBM Plaza, Chicago, IL 60611. (312) 787-2525. This year's entry fee will be donated to the U.S. Culinary Olympics Foundation.





Medal winners

Creme de la crème

Winners' showcase

Awards. They are one way to recognize creative, state-of-the-art ideas. They also showcase those innovations for others to learn from. At the NRA Show there will be a range of competitions and award displays—from winning entries in the Great Menu Contest to the first hot food competition of the 1984 U.S. Culinary Olympic Team.

The chef as artist

Food at its most beautiful. Food as art. That's what you'll find at the Culinary Arts Salon. Although the ingredients will be familiar, the presentations will be original. Here you'll see chefs as artists stretching their imagination and their skill to show what the foodservice industry is capable of producing. Chefs, apprentices and students all enter breathtaking displays that must be seen to be appreciated.

All those competing will be judged against a standard, except for the Best of the Show award and for the Most Original Piece of the Show award. Last year there were more than 200 entries. There is no entry fee to participate. There is no special fee to view the displays. Set aside a portion of Sunday and Monday to see how beautiful food can look and to scout around for a few ideas to take home. You may also be able to recruit a chef or two. The Culinary Arts Salon is open Monday 9:30 a.m. to 5:00 p.m.

Kitchens at work

Take away the kitchen and you take away the heartbeat of your restaurant. That is why a kitchen must be designed so that chefs can efficiently prepare and serve foods.

To see several state-of-the-art kitchen designs, you won't want to miss this year's Design Exposition. Co-sponsored by NRA and Food Consultant Services International (FCSI), the exhibit will showcase floor plans, scaled designs, photographs and narratives.

Come to the exposition, look over the plans, ask questions and decide if it's time to redesign your kitchen.

Menu greats

Menus are as different as the restaurants they represent. Yet some are more successful at marketing than others. What makes the difference? Menu experts point to design, imagination and merchandising skills; and these are the criteria that were used to judge the menus entered in this year's Great Menu Contest.

The winning menus will be displayed during NRA Show exhibition hours. There are three grand prize winners: T.G.I. Friday's; Radisson Spirits, Radisson Hotel Corporation and Explorer's Club, PGA Sheraton Resort.

Others winners fall into the following categories:

- restaurants with average check size under three dollars
- restaurants with average check size between three and 10 dollars
- restaurants with average check size over 10 dollars
- institutional menus
- specialty menus
- best design
- greatest merchandising and
- most imaginative.

Don't miss this chance to pick up a few pointers for your operation!

Promotion power

Winners in the 10th annual Most Valuable Promotion (MVP) Awards competition, sponsored by the Pepsi-Cola Company for the National Restaurant Association, will be recognized at an awards luncheon during the NRA Show.

This luncheon will honor those companies who were judged to have the most effectively creative and outstanding promotions in 1982. To arrive at the winners, the judges weighted individual promotion elements as well as the total impact of the program.

The MVP luncheon will be held Monday, May 23, at 12 noon in the Chicago Marriott Hotel.

Countdown to the 1984 Culinary Olympics

The 1984 U.S. Culinary Olympic Team has been chosen. You can cheer on the chefs during the NRA Show when they will compete for the first time as a team in the second annual hot food competition.

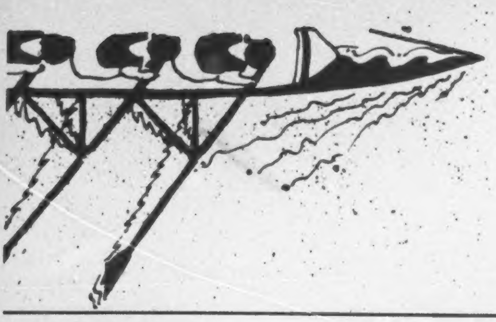
On both Monday and Tuesday, May 23 and 24, you can watch the chefs prepare their dishes and then observe how the judges rate the finished product.

If it's anything like the 1980 entries, there are bound to be gold medal winning recipes.

Masterpieces in the mess hall

The Air Force has more than beans and gravy in the mess hall. And there's a special award to honor that excellence. It's the coveted John L. Hennessy Award, developed to motivate the U.S. Air Force to provide outstanding foodservice facilities for its enlisted men.

You can join in applauding this year's winners at the awards luncheon on Saturday, May 21, at 11:30 in the Chicago Marriott Hotel. Secretary of the U.S. Air Force Verne Orr will be the keynote speaker. For tickets to this event, contact Ruth Tracy, NRA corporate secretary in Washington, DC.



The lineup

What's happening when

Keeping up with events at the Show

It's an encore performance for NRA-TV Today—NRA's own news magazine. If you are staying in any one of the 28 major Chicago hotels, the program will be broadcast to your room each morning at 7 a.m. and in the afternoon at 4 p.m. The broadcast, in its second year, is a good way for you to get a rundown of each day's events and a recap of what's already happened. There will be special features, interviews with industry personalities as well as material about the educational programs and unusual floor exhibits. Be sure to tune it in. The program hosts will be Floyd Kalber and Nancy Sellers—two veteran newscasters.

Schedule of seminars, meetings and special programs

Saturday, May 21

8:00 a.m.
Registration for one-day and two-day seminars in NRA Executive Seminar Series

9:00 a.m.—5:00 p.m.
Seminars with one-hour lunch break

One-day seminars
- Computers
- Basic purchasing
- Dining room management
- Menu development
- Hiring hourly employees

First day of two-day seminars continued on Sunday, May 22
- Location! location! location!
- Restaurant design & facilities planning
- Operational analysis
- Preparing a successful employee manual
- Planning & implementing basic restaurant marketing strategy

10:30 a.m.—5:00 p.m.
Dealer/supplier press preview of exhibit floor

11:30 a.m.—1:30 p.m.
Hennessy Awards luncheon

2:30 p.m.—5:00 p.m.
Members with NRA badge allowed on exhibit floor

4:00 p.m.—8:00 p.m.
NRA TV Today! Tune in on your hotel TV

Sunday, May 22

7:00 a.m.—11:00 a.m.
NRA TV Today! Tune in on your hotel TV

8:00 a.m.
The Main Course race
Registration for one-day seminars

9:00—5:00 p.m.
Seminars with one-hour lunch break

One-day seminars
- Wine merchandising and training
- Practical meat workshop
- Motivation: increasing the desire to do more and better work
- Creative merchandising techniques
- Kitchen management

Second day of two-day seminars
- Location! location! location!
- Restaurant design & facilities planning
- Operational analysis
- Preparing a successful employee manual
- Planning and implementing basic restaurant marketing strategy

9:30 a.m.—5:00 p.m.
Exhibit floor open
Culinary Art Salon

10:00 a.m.—3:00 p.m.
2nd annual NRA hot-food competition

2:00 p.m.
Show opening day program with John Dankos, Alexander Haig and George King & The Fellowship.

4:00 p.m.—7:00 p.m.
NRA TV Today! Tune in on your hotel TV

9:00 p.m.—1:00 a.m
Convention Capers I: The Association and Jade Hyatt Hotel

Special postcards

If you get an urge to send a postcard to your Aunt Millie or your eight-year old son, you don't have to leave McCormick Place. You can come to the NRA Post Office, buy a prestamped post card and get a special NRA Show cancellation. This will give your cards a personalized touch that will be appreciated by those who stay behind.

Monday, May 23

7:00 a.m.—10:00 a.m.
NRA TV Today! Tune in on your hotel TV

9:30 a.m.—5:00 p.m.
Exhibit floor open
Culinary Art Salon

10:00 a.m.—3:00 p.m.
2nd annual NRA hot-food competition

10:30 a.m.—12:00 noon
1983 NRA theater series
- Food preparation and menu merchandising with Chef Louis Szathmary
- The dignity, necessity and profitability of customer service with Dr. Dru Scott
- What it takes to run your foodservice operation in the most profitable manner with Tom Peters

NRA Management Clinic
- The effective executive interview—William P. Fisher
- Reducing tension in your operation, part one—Mitch Crask
- Let's take the vice out of service—representative from Commercial Food Equipment Service Association
- Chart presentation—first in a series of hands-on training sessions presented in cooperation with the Council of Hotel and Restaurant Trainers
- Cafeteria operators shop talk

11:30 a.m.—1:30 p.m.
NRA first ladies' luncheon with Theresa Dankos and Betty Ford, Chicago Marriott Hotel

12:00 noon—2:00 p.m.
Most Valuable Promotion (MVP) luncheon, Chicago Marriott Hotel

2:00 p.m.—3:30 p.m.
NRA Management Clinic

- "Diner"—panel of operators
- Reducing tension in your operation, part two—Mitch Crask
- Chart presentation—second in a series of hands-on training sessions
- Student-industry idea exchange. Panelists include Jack Collerton, Hilton Hotels; Edward Hoffman, Green Acres Country Club and Joseph Bogart, Saga Corp.

2:30 p.m.
NRA membership meeting, featuring election of new officers and directors. Bryant Gumbel: guest speaker

4:00 p.m.—7:00 p.m.
NRA TV Today! Tune in on your hotel TV

9:00 p.m.—1:00 a.m.
Convention Capers II: Jazz nostalgia night with Bill Snyder & his trio, Billy Eckstine as well as the Art Van Damme quintet, Chicago Marriott Hotel

Tuesday, May 24

7:00 a.m.-10:00 a.m.
NRA TV Today! Tune in on your hotel TV

9:30 a.m.—5:00 p.m.
Exhibit floor open

10:00 a.m.—3:00 p.m.
2nd annual NRA hot-food competition

10:30 a.m.—12:00 noon
1983 NRA theater series

- Effective managerial leadership with Dr. James Cribbin
- How to speak and how to listen with Dr. Mortimer Adler
- How instructional troubleshooting can solve your people problems with Dr. Robert F. Mager

NRA Management Clinic

- Gourmet carryout shop talk—panel
- Present-day consumer attitudes—Susan Mills
- Chart presentation—third in a series of hands-on training sessions
- Tip reporting—Robert Palmer

2:00 p.m.—3:30 p.m.
1983 NRA theater series

- American cuisine—what it is and why it is so popular with Judith Jones and panel
- Six great ideas with Dr. Mortimer Adler
- The economy and foodservice today with Charles Lynch and panel

NRA Management Clinic

- Merchandising wine—panel
- Advertising and the limited budget—specialists from the Radio Advertising Bureau, the Newspaper Advertising Bureau and the Television Bureau of Advertising. Moderated by NRA Director Jack Kawa
- Menu costs and controls—Michael Bradshaw
- Chart presentation—fourth in a series of hands-on training sessions

7:00 p.m.
Grand banquet and show with Merle Haggard, Hyatt Hotel

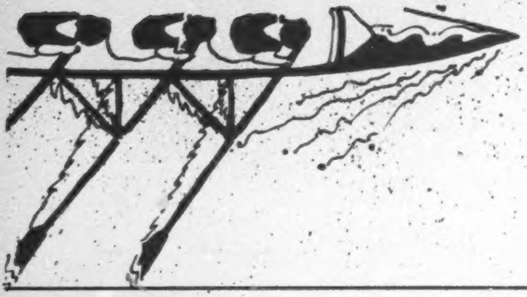
Wednesday, May 25

9:30 a.m.—3:00 p.m.
Exhibit floor open

10:30 a.m.—12:00 noon
NRA Management Clinic

- Second annual NRA saloon keepers shop talk—English, Australian and American panel
- Chart presentation—last in a series of hands-on training sessions presented

NRA travel hotline: 1-800-327-2992 Continental U.S. and San Juan; 1-800-432-4303 Florida
NRA housing manager: Lennie Torres (312) 787-2525
Other information: NRA convention office (312) 787-2525



Exhibition game

The entree

The exhibit floor—the best place to shop

Do you need new uniforms for your waitresses?

Do you want to find some snacks for your happy hours?

Do you have remodeling dreams you want to discuss with a designer?

If there is a product or service you need, the NRA exhibit floor is the place to find it. With more than 6,000 products in 20 acres of space (slightly more than 15 football fields), you can cover more ground during the Show in less time than you can by visiting vendors or distributors on their home turf. Not only is this a golden opportunity to taste, sample and examine products—from beer to yogurt, but you also can put the products next to several other similar items, often two or three dozen. What a chance to do comparative shopping!

If it's food warmers you're looking for, you have 42 to choose from. If it's chairs you want, you can sit in more than six dozen. If it's wastebaskets you need, there are a score to check out. You can even recruit new employees by talking to representatives from 37 foodservice schools across the country.

At the Show, you will see the familiar and the unfamiliar. You will learn of new products, improved products and services you may not have known existed. You will put more wear and tear on your shoes during five days of walking the exposition floor than you do during weeks or months at home. There is no question that there is much ground to cover. But you're sure to find that, despite your exhaustion, making the rounds is well worth it. Your booty: ideas, improvements, products, services, contacts.

Take home a souvenir

If you'd like to bring home a souvenir from the Show but don't want to lose valuable time away from the exhibit floor shopping, you may want to visit NRA's retail store in the lobby area of McCormick Place, next to the registration area. There will be puzzles, signature ties as well as men's and women's golf shirts all with NRA logos.

Staying in shape

Education a la carte

Evaluating and selecting computer systems.

Little things that make a big difference in food preparation.

How to evaluate management candidates.

These are just three of the more than 40 topics covered by the educational program at the Show. There are shop talks and panels, seminars and clinics, hands-on sessions and lectures on topics that are as specific as meat or wine and as general as how to speak and how to listen. Because it's up to you to choose from the very extensive menu of offerings, here is a brief description of what the Show has to offer.

Greatest hits from NRA's seminar department

Fifteen of NRA's most popular educational seminars will be offered during the first two days of the Show, May 21 and 22. Five of these sessions are two-day programs; the rest are one-day. Registration and check-in for each seminar will begin at 8:00 a.m. on both Saturday and Sunday mornings.

To register, you can use the reply card in this issue.

Two-day seminars: Saturday and Sunday, May 21 and 22—9:00 am to 5:00 pm

Location! location! location! This seminar will teach you how to successfully negotiate and finance your new operation. It covers the basics from evaluating demographic data to negotiating a deal.

Restaurant design and facilities planning Because your restaurant's design can affect your bottom line for years to come, it's important that you can successfully translate your objectives into a physical blueprint for your operation. This seminar will show you how to do it.

Operational analysis for foodservice facilities How well do you know your faults, strengths and potential? This seminar is designed to help you look more objectively at your business.

Preparing a successful employee handbook This seminar sets up clear guidelines for putting together an employee handbook—whether you have a one-unit operation or one with 100 units or more.

Planning and implementing restaurant marketing strategy Whether you are looking to build customer counts or trying to forecast the effect of menu and price changes, what you need is an aggressive marketing strategy. This seminar will give you comprehensive guidelines.

One-day seminars: Saturday, May 21, 9:00 am—5:00 pm

Computers in foodservice Are you ready for a computer? This seminar will help you decide. It will also give the data you need to evaluate and select the best systems for your operation.

Basic purchasing Today's marketplace demands purchasing savvy. This seminar gives you what you need to carve a niche in the purchasing area.

Dining room management How to create the right environment for a productive team of workers and a profitable bottom line is the topic for this seminar.

Menu development The menu is your number one sales and marketing tool. This seminar will teach you how to build a profitable menu with innovative ideas and sound merchandising techniques.

Hiring hourly employees How you find and choose your employees can avoid time-consuming and costly mistakes. This seminar teaches the secrets of interviewing.

One-day seminars: Sunday, May 22, 9:00 am—5:00 pm

Practical meat workshop This seminar presents guidelines that promise to bring insights into purchasing and storage methods as well as portion control and product extenders.

Wine: sales and merchandising Wine is making inroads in the American marketplace. This seminar will teach you how to increase your wine sales by increasing your product knowledge, training your staff, pricing properly and merchandising.

Motivation Increasing your employees' desire to do more and better work need not be a mystery.

Kitchen management seminar This seminar will give you easy-to-implement, money-saving techniques for improving efficiency in your kitchen.

Creative merchandising techniques You can add razzle-dazzle to your operations if you look at promotions from a new perspective. This seminar will discuss opportunities you may have missed.

Staying in shape

Education a la carte

Nine glittering programs in NRA theater series

The theater and management clinic programs in the educational showcase for Monday, Tuesday and Wednesday are shorter sessions. Most are 90 minutes long. They are free to all Show registrants—no preregistration necessary.

On **Monday, May 23,** *at 10:30 a.m., you can choose to hear either Dru Scott*, a dynamic speaker whose topic is the dignity, necessity and profitability of service; *Chef Louis Szathmary*, the world-famous chef and restaurateur, who will share some of his operational secrets in the area of food preparation and menu merchandising; or *Tom Peters*, co-author of the runaway bestseller *In Search of Excellence: Lessons of America's best-run companies*. Peters will apply what he has learned to foodservice operations.

Two groups of programs on **Tuesday, May 24,** will complete the theater series. At 10:30 a.m. management dean *James Cribbin* will focus on the many factors that can result in effective managerial leadership. Concurrently, human performance expert *Robert F. Mager* will discuss instructional troubleshooting and *Mortimer Adler*, acclaimed as one of the great thinkers and communicators of today, will discuss his latest book *How to speak and how to listen*.

At 2:00 p.m. you are once again faced with three difficult choices. You can opt to attend a second session with *Mortimer Adler* on six great ideas or attend one of two panel discussions. The first, moderated by *Judith Jones*, will explore why American cuisine is catching on across the country. The second will discuss where the economy is leading the hospitality industry. The latter panel will be comprised of Joan Bakos, *Restaurant Business;* Jane Wallace, *Restaurants & Institutions;* Steve Michaelides, *Restaurant Hospitality* and Charles Bernstein, *Nation's Restaurant News*, who will be joined by moderator *Charles Lynch*, chief executive officer of the Saga Corporation.

Operational know-how in the clinics

To increase the educational opportunities at the Show even further (and to give you even more options to choose from) the NRA Management Clinic spotlights 18 nuts and bolts programs. This is where you can find brainstorming sessions, training programs and other to-the-point programs on a specific area of foodservice.

The clinic begins on **Monday, May 23,** at 10:30 a.m. with five concurrent programs:

- The effective executive interview with William P. Fisher, the executive vice president of Service Systems Corporation and author of *Fisher's Laws*.
- Reducing tension in your operation, part one, with Mitch Crask, noted management consultant. He will discuss the tensions that can exist between employees as well as between guests and employees.
- A presentation by the Commercial Food Equipment Service Association (CFESA) to show how important it is for operators to be familiar with warranties, service contracts and preventative maintenance.
- The first of five CHART presentations—hands-on training programs by NRA in cooperation with the Council of Hotel and Restaurant Trainers (CHART). The topics will include such things as how to manage the part-time employee.
- Cafeteria operators shop talk—Donald Clinton of Clinton's Restaurants will moderate.

The next of clinics will start at 2:00 p.m. on Monday.

- Mitch Crask will complete his session on ways to reduce tension.
- Diner operators' shop talk.
- Second CHART presentation.
- Student-industry idea exchange. Presented by NRA in cooperation with the Council on Hotel, Restaurant and Institutional Education (CHRIE).

Tuesday's clinics will be at 10:30 a.m. and 2:00 p.m.

The morning program consists of four alternatives.

- Gourmet carryout shop talk.
- Present-day consumer attitudes with NRA Director of Research and Information Susan Mills.
- Third CHART presentation.
- Tip reporting—a complete report with NRA Staff Attorney Robert Palmer.

There are four clinics in the afternoon.

- Merchandising wine—a panel.
- Advertising and the limited budget—a how-to-do-it approach presented by specialists from the Radio Advertising Bureau, the Newspaper Advertising Bureau and the Television Bureau of Advertising moderated by NRA Director Jack Kawa.
- Menu costs and controls—by Michael Bradshaw of The New York Restaurant School. The emphasis will be on small operators.
- Fourth CHART presentation.

Two clinics on **Wednesday morning** wind up the 1983 management clinic program.

- Last CHART presentation.
- The second annual NRA saloon keepers shop talk with Butch McGuire of Butch McGuire's, Dick Milano of Rosie O'Grady's, Nick Wyldbore-Smith from England and Richard Jones from Australia.

First string

Serving it up right

Serving it up right

Hospitality counts, but a hospitable environment is not easy to create because it's a word that has been open to interpretations—until now. The NRA Board of Directors has created The Hospitality Project to isolate the critical areas of friendly and efficient service and to develop a seminar to teach each establishment to create appropriate guidelines for itself.

This seminar will get underway this summer in three different versions—one for table-service restaurants, one for fast food outlets and one for cafeterias.

Come to the NRA Membership Booth during the Show to find out more about The Hospitality Project. You can talk to the people who developed the program and see samples of their slide show and handouts. It's a good way to start making your plans to use this information in your operation.

Wanted: NRA members

Be sure to visit the NRA booth and discover the many programs NRA has to offer. This year's booth will be the first one on the registration level—same location as last year.

Many of NRA's products and services will be displayed, and several NRA staff people will answer questions on

- Tip income reporting
- Effective promotions
- Labor regulations
- Human resource issues
- Latest consumer trends
- Educational needs
- Health and safety issues
- NRA's Hospitality Project

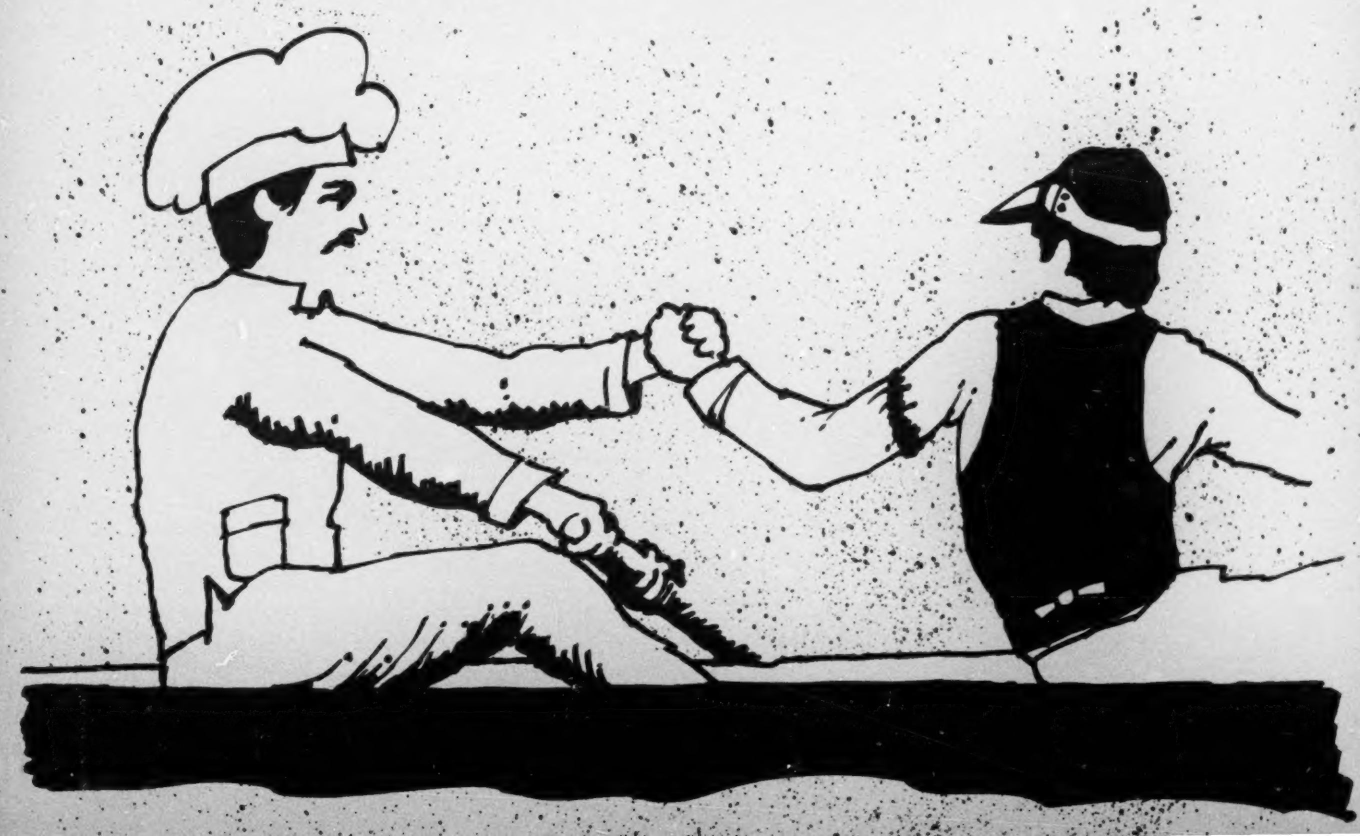
Members will get to meet face-to-face with NRA staff.

And a special feature this year will be a *Members Only Drawing*. It can be entered by filling out a card at the NRA booth. The grand prize winner and a guest will be able to take a trip to such cities as *New York, Washington D.C., New Orleans, Boston, San Francisco, Los Angeles*.

Airfare and accommodations for this trip are provided by TWA and Hyatt Hotels.

Two second prizes will be awarded—a complimentary registration fee at NRA seminars. There will be several third prizes of NRA publications.

The drawing will take place on Tuesday, May 24.



First string

Serving it up right

Bryant Gumbel to speak at membership meeting

Do you watch the Today Show with your morning cup of coffee? If you do, you know Bryant Gumbel, the co-anchor of the program. If you don't, you'll get a chance to be won over by his warm smile and enthusiastic delivery during the membership meeting at the NRA Show. He will be the guest speaker.

Gumbel, a long-time NBC Sports host, has a knack for capitalizing on the excitement of the moment. He promises to add even more spice to the emotionally-charged transition of NRA officers and directors. Plan to come and enjoy Gumbel and meet the new first string of the NRA. The time: Monday, May 23 at 2:30.

Theresa Dankos invites everyone to first ladies luncheon

"The ladies coming to the NRA Show should have a nice affair to go to," maintains Theresa Dankos, wife of NRA President and Chairman of the Board John Dankos. That is why she has decided to open the first ladies luncheon, given in her honor and honoring the first ladies of the NRA, to everyone attending the Show. Traditionally, the luncheon has been only open to the wives of board members.

The guest speaker for this year's luncheon is former First Lady Betty Ford. To reserve seats, contact the NRA Convention Department in Chicago, (312) 787-2525. (This event is *not* for ladies only.)

If you cannot attend, you may want to organize a special first ladies luncheon or dinner of your own. Here are two favorite recipes from Theresa Dankos and one from Betty Ford. Taken together, they form the basis for a festive celebration.

Theresa Dankos' favorite recipes

Pennsylvania Dutch milk pie

This recipe was invented by John Dankos' grandmother and has been a family favorite ever since.

2 tbls. flour
1 cup sugar

Mix together and empty into unbaked pie shell. Pour in milk to one-quarter inch below top of pie shell. Do not stir. Add flat tablespoons of butter, and sprinkle top with plenty of cinnamon. Bake 1 hour, 15 min. at 350°.

Serve with whipped cream or ice cream.

Potato and broccoli supreme

3 cups hot mashed potatoes (5-6 medium potatoes)
3-oz. package of softened cream cheese
1/4 cup milk
1 egg
2 tbls. butter or margarine
2 8-oz. can French fried onions
2 10-oz. packages of frozen broccoli spears cooked and drained
4 oz. shredded American cheese

Whip together first five ingredients until smooth. Season to taste with salt and pepper. Fold in 1/2 can French fried onions. Spread potato mixture over bottom and up the sides of a buttered 8 × 12 inch baking dish to form a shell. Bake uncovered at 350° for 25-30 minutes. Arrange hot broccoli spears in potato shell. Sprinkle with cheese and remaining onions. Bake uncovered five minutes longer.

Makes eight servings.

Betty Ford's favorite recipe

Beef stew with walnuts

2 lbs. cubed lean stew beef
2 tbls. corn oil
2 large onions, peeled and cubed
2 cloves garlic, peeled and finely chopped
salt to taste
4 carrots, peeled and cubed
4 stalks celery, peeled and cubed
2 medium green peppers, seeded and cubed
2 tbls. flour
pinch of thyme
pinch of marjoram
1 cup dry, red wine
2 cups beef bouillon
6 oz. walnut halves

Brown meat on all sides in an iron skillet. In corn oil, add onions, garlic and salt to taste. Brown onions slightly. Transfer meat into a casserole dish or a Dutch oven. Place over medium heat. Add flour. Stir well. Add thyme, marjoram, red wine and beef bouillon. Simmer for one hour covered, stirring from time to time. Add carrots, celery and green peppers. Stir carefully with rubber spatula. Simmer for 30 minutes more or until meat and vegetables are tender. Test stew for flavor. Spoon beef stew into serving dish. Sprinkle with walnuts.

Makes 6 servings.

Time out

Palate refresher

Social events

After a full day of educational seminars and rounds of the exhibit floor, even the most hardy of restaurateurs will want time out. For good fun and good company, plan to enjoy the tantalizing lineup of social events. There's a special event each night of the Show.

Grand finale: Merle Haggard and a gala dinner

The master chefs of the Hyatt Regency Hotel in Chicago are pulling out the stops for the Show's grand banquet. The talented pastry chef Dan Matt has already invented a special dessert for the occasion. It's a secret, he says with a twinkle. You can bet it will be something memorable; several of his other recipes have won prizes.

The rest of the meal should be equally scrumptious. Hyatt Executive Chef James Kiss is conferring with NRA board members to plan a dinner that will wow even the sophisticated palates of NRA members.

But there will be much more than eating at the grand finale on Tuesday, May 24. The event, which is designed to honor the incoming NRA president, will also feature a reception and dinner dancing to the music of the Dick Judson Orchestra.

And that's not all. Country and Western great Merle Haggard, accompanied by Leone Williams and The Strangers, promises to bring down the house with his all-time favorite tunes. This is an evening you won't want to miss. Because seating is limited, order your tickets now. Call the NRA convention department in Chicago for reservations at (312) 787-2525.

NRA's all-star jazz nostalgia night

Jazz lovers, this night is for you. From the platinum keyboard of Bill Snyder and his trio to the legendary tunes of Billy Eckstine, this night promises to bring back memories and create new ones.

Those of you who follow the *Downbeat* polls are also sure to recognize the Art Van Damme Quintet, a 10-time winner. Once again, your NRA Show badge is the ticket for admission. There will be a cash bar. If you have a soft spot in your heart for jazz, be sure to set aside Monday, May 23. Come to the Chicago Mariott Hotel at 9 p.m.

Dance to The Association

"Cherish" and "Windy" are two favorite hits of the 60s. You can hear them again on Sunday night, May 22, performed by the group that made them famous—The Association.

It won't just be an evening of reminiscing, however. This gold-record band is great for dancing, and it is being backed up by one of Chicago's hottest musical groups—Jade. Jade, which has won a loyal rock and roll following, plays hits from the 60s, 70s and 80s.

There will be a cash bar, but there is no charge for admission. Just bring your NRA badge and your dancing shoes to the Hyatt Hotel at 9 p.m.

The National Restaurant Association

in cooperation with

The American Culinary Federation
& The Chefs de Cuisine of Chicago

announces

THE CULINARY EVENT OF 1983!

CULINARY ARTS SALON

NATIONAL
RESTAURANT
ASSOCIATION

To be judged in accordance with the Culinary Standards and Guidelines for ACF Approved Culinary Arts Expositions and Competitions.

For additional information, contact the NRA Culinary Salon Headquarters, JIM BARR, (312) 787-2525.

These events will be held in conjunction with the 64th Annual NRA Restaurant, Hotel-Motel Show.

McCORMICK PLACE • CHICAGO, ILLINOIS

13 tips for planning an efficient kitchen

by Carol Caprione

Careful planning of your kitchen might be one of the most important things you ever do for your restaurant business. Every aspect of the foodservice industry ultimately relates to the food. And the food comes from the kitchen.

The NRA Restaurant, Hotel-Motel Show in Chicago's McCormick Place, May 21-25, pays well-deserved tribute to the kitchen. At the International Invitational Design Exposition, sponsored by NRA in conjunction with Food Consultant Services International, consultants will showcase their latest kitchen designs in floor plans, photographs and narratives. This exhibit promises to provide food for thought for foodservice operators who are considering replacing or adding kitchen equipment.

NRA NEWS spoke with several consultants who will be displaying their designs at the Show. Here are some of their suggestions for planning an efficient kitchen.

1 *Start with the menu*

According to former chef Ted Waskey, professor of food science at the University of Houston, "The menu is central to the entire operation. Without knowing the menu, you can't design an efficient kitchen."

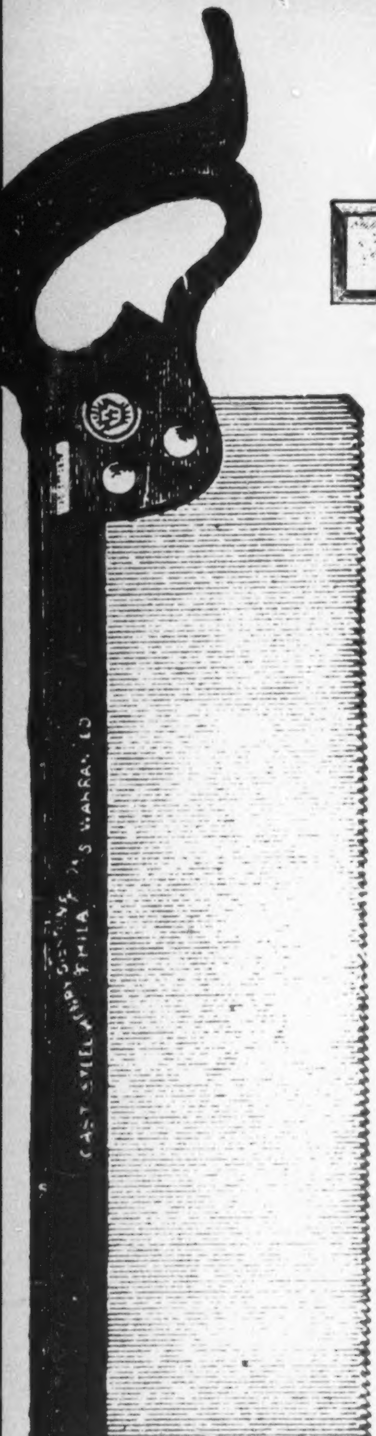
Although this advice may seem obvious, it is often forgotten by operators who consider other factors (such as cost or size) before they consider their menu. Yet a steak house, Chinese restaurant and seafood establishment all demand different types of equipment in order to function in the smoothest possible way. That is why it's far easier to coordinate your equipment with your menu right in the planning stages than to try to work around it once you are open for business.

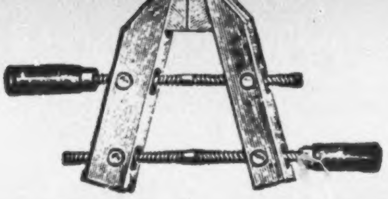
2 *Determine the number of meals to be served*

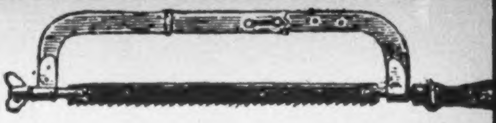
Before you plan a kitchen, you must know the maximum number of people to be served throughout the day and the general rate of turnover so you can purchase equipment of the proper size. It's necessary to decide if breakfast, lunch and dinner are going to be offered. A foodservice operation that expects 50 dinner guests an evening must have a far different layout from one that expects a breakfast, lunch and dinner crowd of 2,000. The work area, storage space and dishwashing requirements all hinge upon how many meals a restaurant must turn out.

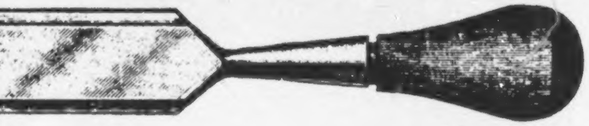
3 *Avoid traffic jams*

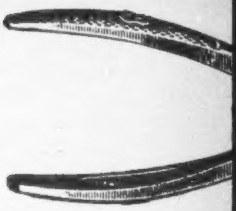
The ideal kitchen has a straight flow of traffic from receiving, storage, preparation, production and serving with as little cross traffic as possible. There should be a minimal distance between the work stations, and servers should be able to deliver meals as soon as they come from the kitchen.











4 *Save that space*

Space is at a premium these days, and no one can afford to waste it. The cost to build, light, heat and maintain a kitchen has skyrocketed. Therefore, do not make the aisles any wider than they have to be, and be sure that the storage area is laid out in the most efficient way.

For example, you can trade off a little tightness in the back of the house to open up the servery or buy equipment which can serve a dual purpose, such as a warming cabinet top that can be used as a work surface or mobile tables for cooks that can double as dish and silver sorters.

5 *Review local, state and national codes and laws*

These affect not only the operation of foodservice facilities, but also the design and equipment used in the kitchen. For example, sanitation codes require at least 20 foot candles of light on all food preparation surfaces and at utility or washing units.

6 *Consider the energy usage*

Today manufacturers are working very hard to produce equipment that uses energy efficiently. "By carefully comparing the amount of energy from different manufacturers' equipment, fairly significant savings can be realized," advises James Little of Harley, Little Associates, Toronto, Canada.

In addition, architectural materials and design elements can also save energy. For example, high efficiency fluorescent lights use about 14 percent less energy than older models.

7 *Consider your geographic location*

The geographical location of a restaurant will determine how often produce is purchased and may influence storage requirements. For example, in Alaska deliveries take place so infrequently that a large storage area is needed.

8 *Opt for equipment that is efficient, flexible and cost-effective*

"You can stay within a tight budget by minimizing the amount of custom-built equipment and using catalog equipment wherever possible without sacrificing quality or equipment capacity," observes Harry Schildkraut of Cini Grissom Associates in Schaumberg, IL.

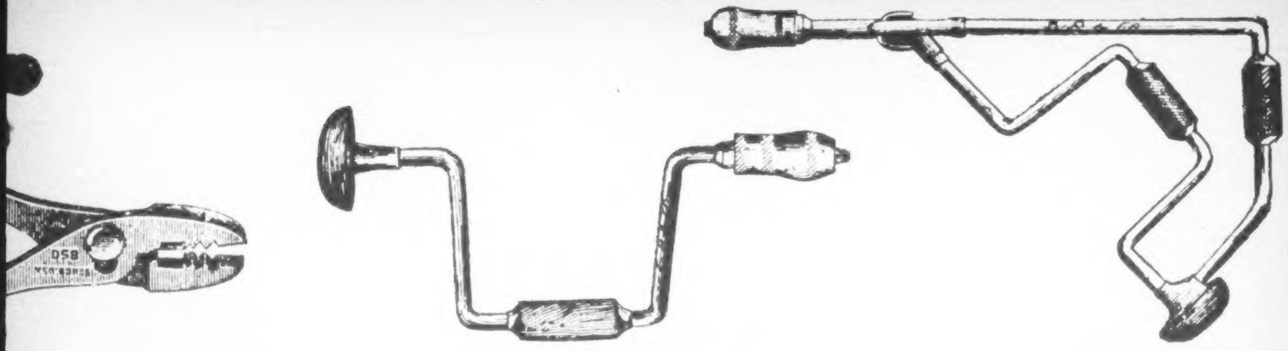
"You can also narrow down your choices by considering efficiency and flexibility," says Bob Schmid of Fred Schmid Associates in Park Ridge, IL.

9 *Don't expect the equipment to last forever*

Remember to build in some mobility when you plan your kitchen so that when equipment becomes obsolete you can remove it, without leaving an unsightly hole. Whenever possible try to put the equipment on wheels to help with cleaning, but make sure it's not going to move while it's in use.

10 *Choose the equipment that has the appropriate life span*

Although it's possible to find equipment that will last 20 to 25 years, it may not be practical for your operation. According to James Little of



Harley, Little Associates, "You have to gear the quality of the equipment to your budget as well as to the practical life of the equipment." Since many restaurateurs change their menus with changing consumer demands, it's often more cost-effective to purchase equipment with a shorter life span and lower initial cost and then consider replacing it in five years.

11 Easy maintainance is a must

When selecting equipment, a primary consideration ought to be the availability of prompt local service since equipment has the uncanny knack of breaking down at the busiest hours. You also should make sure that repairs can be made quickly so that an equipment breakdown does not interfere substantially with your foodservice function.

Easy cleaning and maintenance of floors, walls and ceilings are important considerations in planning any kitchen.

Floors must be hard-surfaced, non-skid, damage-proof, easy to repair and have an easily cleanable interface at the floor-wall connection, such as quarry tile.

Walls should be built of durable material (such as masonry) and should be coated with a finish that is wear-resistant, can be washed vigorously and is easy to patch if it is damaged.

Most kitchen codes require kitchen ceiling to be white, non-porous and easily cleanable. The ceiling should also allow easy access to piping and systems placed above it and allow for easy installation of lighting fixtures.

12 Phase in redesign gently

When Ron Kooser and Dick Eisenbarth, Cini–Grissom Associates, Cleveland, OH, planned the redesign of Abruzzi's Cafe 422, they paid very special attention to the phasing in of the new design. "You don't want to disturb your whole operating style because you are remodeling the kitchen," cautions Kooser. According to Kooser, it is often advantageous to pay premium time wages in order to minimize your downtime. Usually this additional expense is more than paid for by recouping sales that would be lost during a longer remodeling period.

13 Keep an eye to the future

When designing a kitchen, it is a good idea to plan for future expansion, especially if you are located in a rapidly growing part of the country. Otherwise you may quickly run out of storage and production space.

When to redesign your kitchen

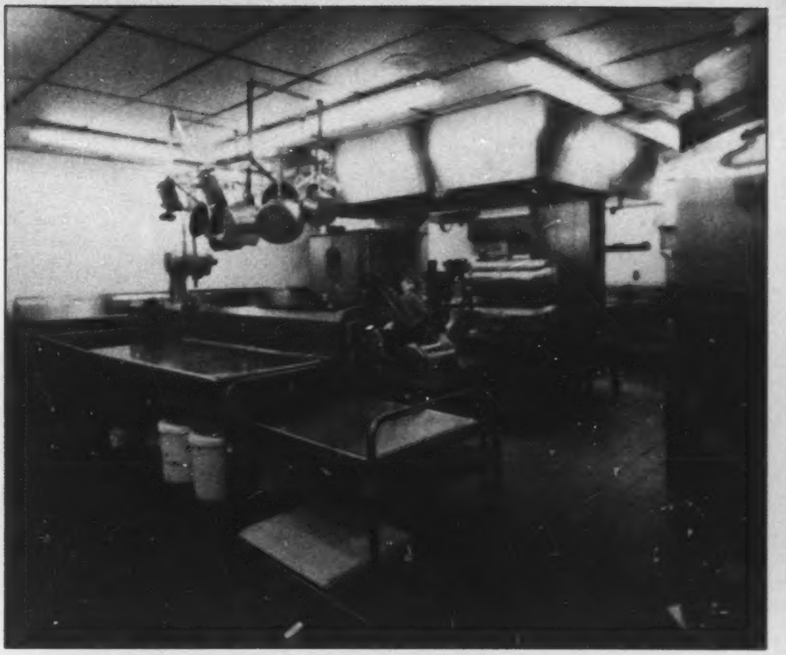
It is time to redesign your kitchen when

1. Your equipment is so old or outdated that it keeps you from preparing a quality product.
2. Your menu is drastically changed and your equipment does not lend itself to preparing the new items.
3. Your customer traffic pattern has outgrown your facilities and patrons are complaining about long delays in service.
4. Your absentee rate and turnover among kitchen employees are higher than for other areas of your restaurant.
5. Your amount of food wastage is increasing.
6. The number of kitchen accidents has jumped dramatically.
7. Your storage area is inadequate to accommodate your inventory.
8. Your energy costs are rising steadily.
9. Equipment breakdowns have increased, pushing up maintenance and repair costs.
10. Your employees complain of headaches or eyestrain because of poor lighting.

BEST AVAILABLE COPY

A cafeteria design for small quarters

Here is a look at one design entered in the International Invitational Design Exposition at the NRA Show.



In January, 1981, Gary C. Hammer, director of food facilities design for Burt Hill Kosar Rittelmann Associates (BHKRA), Pittsburgh, PA, began designing a new employee cafeteria for Nationwide Insurance Co. in Butler, PA.

Nationwide wanted an in-house foodservice facility that could feed 375 employees at a reasonable price. They did not have very much space to work with—approximately 2,250 square feet for the kitchen and 1,250 square feet for the serving area. Hammer worked around these spatial limitations by trading off some of the tightness in the back of the house to open up the servery and by using dual-purpose equipment.

Hammer chose equipment based on lunch menu requirements at similar facilities throughout the country, including several different types of dispensers and serving counters.

To help economize on space and budget, BHKRA integrated facilities which serve a dual purpose, such as using the warming cabinet top for a work surface.

Due to the architectural limitations of the building, most utilities were brought in overhead. This necessitated a mechanical raceway in the center of the ceiling-hung cooking battery. Equipment on one side of this battery is on casters with quick disconnects for easy removal and cleaning. The floor is clear of all penetrations except floor drains.

The servery was designed in the scatter concept and features a concave, curved salad bar and a curved salad and dessert display area. These counters feature tubular stainless steel tray slides, oak formica face panels with stainless steel reveals, tempered glass and plexiglass sneeze guards and display shelves on T-shaped stainless steel brackets.

Special attention was given to overhead lighting above the food counter display area. A drywall bulkhead and soffit were dropped over each counter. Within the soffit there is recessed high intensity lighting.

Wing walls were added to separate the counters and to reinforce the scatter concept. The serving area was designed to allow people to gather at the salad/soup area and the hot entree area while allowing other patrons to quickly pick up prepared items and beverages without disrupting the traffic flow.

Due consideration was given to sanitation and safety. The facility features state-of-the-art design in fire protection and ventilation systems. The entire kitchen facility is surrounded by a fire-rated enclosure, and there is additional fireproofing on the structure above.

Special attention was given to providing adequate ventilation within the kitchen space, and reports since opening day have been favorable as to the comfort and operability of the system.

In order to minimize noise and disruption in the cafeteria, the kitchen was designed with the dishwashing area away from the cafeteria area.

For aesthetic value, the cafeteria/dining area features a south facing wall with greenhouse and terrace garden beyond. A lounge with comfortable seating is located at the entrance to the serving area and features a three-story atrium with a bridge walkway overhead and large plants and trees.

This facility is fully accessible to the handicapped through an elevator that comes from the upper floors. Clearances around and near serving counters are adequate to allow wheelchair access.

The total cost of this facility was $175,000, and the budget was adjusted throughout construction.

The plans for the cafeteria were completed in May 1981. The facility was installed in September 1981. The cafeteria was opened in April 1982.

EDUCATION

How to put together A FINANCING PACKAGE for the new operation

A major cause of new restaurant failures—even among well-run operations—is inappropriate methods of funding.

A good financing package is essential for the survival of a new business, maintains David Sher, president of David Sher Associates and instructor for NRA's seminar on negotiating and financing new operations. This package must combine different types of funding to best suit the needs and resources of the business.

Before you can put together a successful financing package, it is necessary to consider the capital requirements of a new restaurant operation. According to Sher, the major categories of investment are

- **the working capital**—the money needed for continuing operations. There is relatively little capital required here, beyond the initial payroll and purchase of foods and supplies. A one-to-one ratio of current assets (such as cash and inventory) and current liabilities (such as payroll and accounts payable) is generally sufficient
- **the improvement that must be made to the building as part of the installation of equipment**. In general, these attached changes, or tenant improvements, account for seven to 10 percent of the total investment needs of the new operation
- **the equipment and decor**, which represent another 20 to 25 percent of the initial investment. These fixtures, furniture and equipment (FFE), unlike the changes to the building, are property which can be removed from the premises
- **the real estate**—the bulk of the financial needs. The cost of the land and building occupied by the operation will make up 65 to 73 percent of total investment. With so much of the investment tied up in a location, it is easy to see how poor site selection can lead to bankruptcy.

Forms of funding. . .

In addition to cash on hand, there are two major ways to raise the necessary funds for the various aspects of your operation: loans and investment.

There is an important distinction between borrowed money and invested money. Money borrowed from banking and financing institutions requires monthly repayment of the interest and a portion of the principal. Invested money—equity capital—need not be immediately repaid; instead, the money put up by investors entitles them to a portion of the operation, and their return is in the form of tax advantages and long-term profits from the business. It is important to strike a balance between the two forms of funding. If too great a portion of the operation is financed—funded with borrowed rather than invested money—the payments due will be such a drain on the not-yet-stable business that they may exceed the operating profits. This frequently causes bankruptcy in new operations.

The challenge in the new operation is to know which form of funding to use for each level of the investment.

Choosing the right funding. . .

The most appropriate sources of funding, can be determined by taking into account the value of the portion of the investment as an asset.

The **working capital** of the operation is almost self-supporting. A line of credit from a bank is generally sufficient for the initial cost outlays, such as food supplies, payroll expenses and utility costs. Once revenue from restaurant sales begins, it provides a continuous source of funding for the operation.

The **fixtures, furniture and equipment** of a restaurant have very little liquidation or resale value once the items are installed. As an asset FFE are only as good as the restaurant's success. Because this is an uncertain prospect, lenders view FFE as a high risk for financing. As a result, they charge high interest rates and require short loan periods (five to seven years at most and sometimes as little as three years). The shorter the period of the loan and the higher the interest rate, the greater the payment demanded from the new operation. This creates a drain on the cash flow when it can be least afforded—at the early stages of the business when sales potentials have not yet been realized.

On the other hand, buying the equipment and decor outright provides significant tax advantages. The first year, an investment credit allows the restaurateur to deduct 10 percent of the purchase cost from his taxes. Then, over the course of five years, deductions for depreciation allow the restaurateur to recapture a large fraction—often nearly half—of the original cost through tax savings. (The amount varies with the individual restaurateur's tax bracket.)

In addition, the improvements that must be made to the building as part of the installation of equipment may also qualify as tax credit items. Therefore, David Sher maintains, it is best to fund FFE with equity capital as much as possible.

There is less tax advantage, however, from purchasing the land and building necessary for the operation. There is no investment credit—as there was for equipment—and real estate depreciates for tax purposes over a 15-year period.

However, **real estate** has far greater liquidation—resale—value, as the failure of one business does not destroy the value of the property. Therefore, much better terms are available for financing the property—long-term loans (often 20 to 25 years) at interest rates significantly lower than for FFE. As a result, monthly payments due on this type of financing are less of a drain on the operation. Also, the restaurateur has options in how to finance the real estate: He can either lease the property or purchase it through mortgage financing.

Overall, David Sher recommends that at least 20-25 percent of the long-term capital needs of the facility be provided by equity funding.

Sources of capital. . .

Two sources of capital frequently overlooked by the new operator are limited partnerships and venture capital equity.

- **Limited partnerships,** says David Sher, are an ideal form of financing the real estate for a restaurant. In a limited partnership, there are two classes of investors: a general partner, who has the responsibility of running the affairs of the partnership; and the limited partners, who are strictly investors. The general partner (who may or may not be the restaurant operator) is legally liable up to the full amount of any claim against the partnership in the event of a lawsuit, whereas the limited partners can be assessed—lose—only the amount they invested. Since the general partner runs the greater risk, he generally puts in a small amount of capital, if any, yet receives a significant position within the partnership.

In financing real estate this way, the limited partnership buys the property and **leases** it to the restaurant operation. The restaurant operator usually pays the real estate taxes, maintenance costs as well as property and liability insurance premiums. The partnership receives a known return in the form of rent as well as the tax shelters from real estate and the appreciation of the investment over time.

David Sher does not recommend limited partnerships as a way to finance the operations (working capital, FFE). On one hand, the partners could become dissatisfied if there are no immediate profits and could place even more pressure on the operator. On the other hand, in a successful operation there is often no money put aside for growth because profits are paid out to the partners.

Venture capital equity is money provided by investors looking only for long-term appreciation, *not* immediate repayment or return. These "venture capitalists" or speculators are generally looking for small companies trying to grow that show promise of being able to carve out a place in the industry. They expect these companies to have access to a growing market, competent management, and a good concept—in short, all the ingredients except capital. The investor(s) puts up capital for the operator to buy property or equipment in exchange for an equity position in the business. The venture capitalist is looking for the prospect of selling shares to the public or being bought out for a great deal more money at some time in the future. A possible drawback to this form of funding is that the investor (unlike a limited partner) may be a vocal copartner, with some degree of control over the operation's management.

David Sher points out that finding investors need not be a problem, since there are very few products these days—such as a good restaurant concept—in which to invest. Though the high entry rate—and failure rate—of new restaurant ventures makes many commercial institutions reluctant to lend, stockbrokers and financial consultants often know of far-sighted investors who are looking for new ventures.

—Cathy Kenney

Editor's Note: *The many steps in locating, negotiating and financing a new restaurant are explored in greater depth in* **Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation.** *This is one of the seminars to be presented at the NRA Show in Chicago, May 21-22. More information is available from NRA Seminars, 311 First Street, NW, Washington, D.C. 20001 at (800) 424-5156 or (202) 638-6100.*

ON THE HOUSE

Clip-ons—the exclamation point on your menu

Menu clip-ons have come of age. Although they were used years ago to promote a restaurant's blue plate specials, they have now blossomed into an important promotional tool in many types of foodservice operations. Today clip-ons allow restaurateurs to draw attention to featured items, adding not only timeliness but also a sense of adventure. Clip-ons encourage restaurant patrons to experiment.

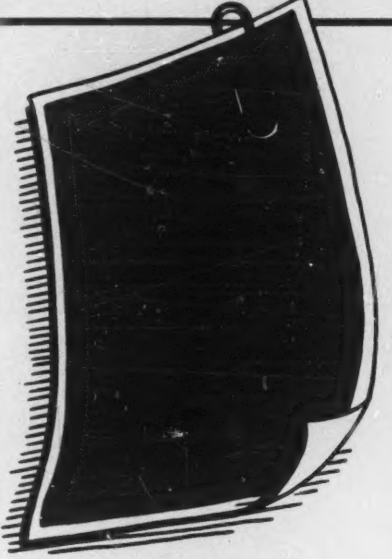
Using clip-ons with your menu allows you to take advantage of special occasions or seasonal products without completely reprinting your menu. For Mother's Day, for example, you can offer special savings for mom on a regular menu item or you can create a special brunch or entree just for the occasion.

Clip-ons also allow you to promote produce from nearby farms or products from local distributors. David Davis of Wrights Seafood Inn in Heidelberg, PA, reports that he has developed a good relationship with local distributors. "Because of this, we can offer a special on a certain beer or liquor, and they are always excellent sellers," he reports. "The distributors find this to be a great way to advertise their products and are always willing to provide the clip-ons. As a result (at little cost to me), my diners are introduced to excellent products."

Two approaches to clip-on design. . .

There are at least two schools of thought on how to design clip-ons. Some leading experts on menu design, such as Jack Miller, author of *Menu Marketing and Strategy*, maintain that the typesetting, paper and color of clip-ons should be exactly the same as the menu.

Others believe clip-ons should stand apart. John Gruner, president of John Gruner Solutions and a frequent speaker at NRA menu seminars, says clip-ons violate the rhythm of the menu and should "wave in the breeze." They should read differently than the regular menu and should appear on a contrasting paper stock.



"I much prefer to see clip-ons done by hand," he confides. "You want them to look as if the item is so fresh that the chef was standing out at the docks at 3 a.m. to buy the ingredients, and that's why the chef only had time to write the specials in by hand."

Rules to follow. . .

Obviously, whatever school of thought you agree with, there are certain rules you need to follow for successful clip-ons. Probably the most important rule is that **your clip-ons must not cover any other part of your menu.**

Some restaurateurs have designed their menus to allow for a clip-on. Craig Dehaven at Jim's Tiffany Place in Lansing, MI, has left a place for clip-ons on his menu. In one menu there is an area called the "Chef's blackboard." In another there is room for the "Special of the day," with copy that tells diners they should order an entree from the clip-on section because "they add variety to your dining experience and are prepared with the utmost care and attention using only the freshest meats and vegetables available."

The second rule to follow when designing a clip-on is that you must be **properly organized**. Under a listing of common menu mistakes, Albin Seaburg in his book *Menu Design, Merchandising and Marketing* notes that many a menu which otherwise is well designed and printed will not pay attention to organization, spelling and look of the clip-on.

A third rule is that it is a good idea for you **not to repeat your regular items** on the clip-ons. John Murphy of Lahieres Restaurant in Princeton, NJ, follows this rule religiously. "The specials that we put on our clip-ons are always truly specials," he says. "Some people have the habit of putting on the same old stuff. That's not the case here. People learn to trust our judgment, and the clip-ons always sell well."

You can use regular menu items if you reduce the prices, notes John Gruner. "For example, Red Lobster promotes a dish for a week that is normally priced at $6.99 for $4.99. This has proven tremendously successful and reaffirms the notion that a clip-on is a great deal."

Fourth, **don't overload the number of specials you list on the clip-ons**. If you have as many items on your clip-ons as you do on your regular menu, something is wrong. "When you start getting over three items, what's special?" asks Gruner.

Next **be sure your clip-ons are in a place where they will be noticed**. Traditionally, the clip-ons have been located in the upper right hand corner, but this is no steadfast rule. Where to place your clip-ons is entirely up to the restaurateur but, remember, make sure the clip-on can be seen and doesn't cover any other copy.

And finally, how often should you *change your clip-ons*? Most experts told *NRA NEWS* that clip-ons should change daily. If you rotate your specials, make sure there is some element of newness or your patrons won't believe the special is fresh and unique.

In short, clip-ons are an excellent tool to increase sales. They function like an exclamation point to draw attention to your specials. If your specials live up to the customers' expectations, they are likely to return to your restaurant to try the regular menu or another item from your clip-on list.

—Kathy Groiss

PURCHASING

PART ONE

What you should do before you place the order

by Dennis J. Ziolkowski
Senior vice president
Club Wholesalers of America, Inc

In today's economy purchasing has become more than just an order-placing function. It has become a key part of every foodservice operation. Today's buyer is required to be an expert on products, sources, vendors, distribution systems, forecasting, product testing, financing and economics as well as receiving and storage.

All foodservice organizations, no matter how large or small, should have one individual whose primary responsibility is purchasing. Large organizations may have a vice president of purchasing with a large staff; individual units may designate the chef or manager. But regardless of the operation's size, someone has to be directly responsible for the purchasing activity.

Buyers must know the menu. . .

What does this person need to know to do the job of purchasing? First of all, he needs to know the menu and the quality of food item that's best for each entry on the menu. U.S. Prime may be the best steak for a white tablecloth operation; but for a budget steakhouse, it's overkill. In other words, the best is not always the best. It is the buyer's job to find the best price of products to meet company standards. Using government grades is not enough to get the control you should have over your purchases. You need detailed specifications to be able to judge the quality of the products you're buying.

Specifications assure quality. . .

Your specifications should contain the following information

- the menu item—where the product being used
- the name of the item or standard of identity
- the amount required or average monthly usage
- the grade or brand name
- the unit on which the price is based—that is, price by case, pound, etc. and
- miscellaneous information, such as trim factor, weight range, method of tenderization, packaging, state of refrigeration.

If you buy meat for your operation, are you the type of buyer who picks up the phone and tells your meat supplier, "Send me 24 pounds of strip steak?" You're asking for trouble with that type of order unless your supplier has your specifications and knows that you know what you want.

If you are buying for a first-class hotel or restaurant operation, the spec would be as follows

Menu item: New York strip steak, 12-oz. boneless

Product: strip loin

National meat buyers' guide number (N.A.M.P.#): 180

Grade: USDA Prime, yield grade two

Trim factor: not to exceed ¼ inch fat with smooth trim

Weight range: 10 to 12 pounds

Method of tenderization: dry age 14 to 21 days

Packaging: wrapped in sanitary paper and tied

Special considerations: eye must be between 2½ and 3½ inches in diameter

State of refrigeration: fresh only, ship chilled at temperature between 33 and 40°F.

A family-style restaurant, ordering strip steaks, on the other hand, may mean

Menu item: New York strip steak 12-oz. with bone

Product: bone-in strip steak

N.A.M.P. #: 1179

Grade: USDA low Choice (note that this specifies where on the grade)

Trim factor: ¼ inch to ½ inch fat cover, maximum two-inch tail

Weight range: 12-oz. portion ± half ounce

Method of tenderization: age whole strips seven to nine days prior to cutting; jackard before cutting

Packaging: individual 12 portions per box, six boxes per case; show date of cutting

Special considerations: ¾ inch thick steaks with vein on both sides are not acceptable

State of refrigeration: frozen—0°F or less

The strip steak appropriate for a budget steakhouse might be

Menu item: charbroiled strip loin

Product: bone-in strip steak

N.A.M.P.#: 1177

Grade: U.S.D.A. Commercial (cows only, no bulls

Trim factor: maximum ¾ inch fat, maximum three-inch tail

Weight range: 14 oz. portion ± one oz., minimum ¾ inch thick

Method of tenderization: pin whole strip before cutting; individually dip portion steaks in liquid tenderizer

Packaging: multivac, 24 portions per box

State of refrigeration: frozen—0°F or less.

As you can see, strip steak can mean different things. Your operation must have specifications, and these specifications must be communicated to your vendors and receiving personnel.

Fixing your inventory levels. . .

Once you have specifications, the next thing to determine is inventory level. The level you set has to take in various considerations, such as the vendor's delivery schedule, the amount of storage space you have, the kind of goods you need—whether perishable or not—and production requirements.

Remember the cost of processing the paperwork when you determine your inventory level. Find out from your accounting people how much time it takes to process an invoice. You may think you're saving your organization money by having goods come in every single day, but the cost of processing invoices can be considerable. At the Club Wholesalers of America, because of our big overhead, it costs 42 dollars to process each invoice.

Get at least three bids per item. . .

The next step is to get bids—at least three bids per item. Keep records of all bids. If yours is a small operation, a simple quotation sheet will do. Start off with the name of the item, basic specifications, amounts you need and space for the bids. Bids are usually taken by phone. Do not suggest the price. If you tell a vendor you think $3.50 per pound is a fair price, you can bet his quote will be $3.50 even if he was planning to quote $3.00.

Another type of price list is a quotation sheet the supplier sends you. Try to hold your suppliers to prices as long as possible. Get weekly and monthly bids on such items as canned goods and other non-perishable items.

One of the typical dangers in pricing is becoming too

comfortable with one supplier. You may know from experience that he is giving you the best price, but you should check his prices from time to time even if not for every order.

Now that you've got all prices together, you find the lowest one and you place your order, right? Wrong. Ask for samples. Test the product, evaluate it and report the good and the bad features to the supplier. Some tests are a waste of time, such as checking yields of two pieces of meat that are cut to the identical specifications. No two pieces of meat are going to cut exactly the same.

Can cutting, on the other hand, can determine the grade you'll require, but comparisons of the same grades between vendors usually only proves that they buy their goods from the same packers. Can cuttings should be used to determine the specifications and the grade that you will need and to spot-check your vendors to make sure they're complying with those specifications.

The last step before placing your orders is to check out the vendors. In these days of tight money, you can be sure your suppliers have checked you out not only to make sure you're a good credit risk but also to rate you in such areas as product knowledge, delivery needs, volume, purchasing methods and financial acumen. (Do you understand the price/value relationship of the items you're buying?) There's a meat house owner in Chicago, who openly admits that he has two price lists—one for customers with a scale and one for those without.

How to rate your suppliers. . .

Before you can win at purchasing, you must check out your suppliers to make sure they can serve you. Some areas to look at include

1. **size**—Can the supplier meet your needs? Take time to examine his plant or operation. Is it a run-down or an updated facility?
2. **staff**—Are they knowledgeable? Do they know their products? Can they help you know your products better? What kind of service can you get from them?
3. **reputation**—Is the supplier reliable? Does he have a good track record? Get and check references.
4. **labor relations**—Is there a team spirit? Does the supplier have management expertise? You don't want to commit yourself to somebody and then find out the following week that all the employees have gone out on strike.
5. **sanitation**—Is the operation clean? Are the delivery trucks refrigerated if the goods require it? I've seen frozen goods being delivered in pickup trucks and vans that were not refrigerated.
6. **purchasing power**—Is the supplier big enough to supply your needs? Is he buying right to get the best possible price? Does he offer discounts and pass those discounts on to you? A good supplier will let you know what promotions are being offered. For example, when there was a 50-cent rebate on A-1 sauce, we went to our suppliers and asked that our monthly statements reflect the amount of the sauce we buy. So we got a separate readout. That was our documentation, and we sent in the readout with the coupon to get our rebate.
7. **financial position**—Is the supplier on sure financial footing?
8. **products**—Do the products meet your specifications? Does the supplier handle the variety that you need?
9. **services**—Can the supplier store goods if you need to buy a larger quantity than usual to get a price break, or do you have to take them into your warehouse? How much will he charge you for storage? Will he maintain the items that he sells you? Does he stand behind his products? Can he do private labeling for you?
10. **prices**—Are they competitive? If his prices are too low, you know you're not talking about the same item

Now you are ready to make your purchasing decision. If you call your orders in, make sure your receiving department has a written copy of the order because any order—verbal or written—is a legal document. All large orders and equipment orders should be on a written purchase order. Large operations should use requisition forms.

In sum, a buyer has to plan to avoid last-minute buying that puts him at the mercy of the supplier. He needs specifications so he can control quality and price and compare bids on an equal basis. He must bid to keep prices down and keep the purveyors honest. He must remember that the main objectives of purchasing are to maintain an adequate supply of goods, to minimize investment and to maintain quality at the lowest price. ❑

Editor's note: *This is the first of a series of excerpted articles from* Profitable Purchasing, *proceedings from the national conference on purchasing. These proceedings are available from NRA's Washington, DC office. The cost is $11.00 plus 10% shipping and handling charges. Please specify MG571 with your order.*

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FOODSERVICE TRENDS

Consumers rate PRICE/VALUE RELATIONSHIP of eating out

Consumers, striving to stretch their dollars as far as possible, have become increasingly conscious of the value of the products they purchase. This trend is apparent in the retail marketplace, and NRA has found it also influences the way individuals decide where, when and why to eat away from home. Because understanding consumers' perception of the fair return or relative worth of eating out can help restaurant operators develop effective advertising campaigns and increase repeat patronage, NRA included a question on value in the December *Gallup Monitor of Eating Away from Home.*

Respondents were asked to rate the value of their most recent restaurant meal with regard to the price paid, using a 10-point scale where 10 represented excellent value received and one signified very poor value received. Specifically, consumers were asked, ''How would you rate the value received for the price paid for (meal eaten)?*

Many factors can influence a restaurant patron's perception of the value received. Some of these factors, such as cleanliness, food quality and service, have been separately analyzed in past issues of the *NRA NEWS* (see January 1983, September 1982 and May 1982). Although this article will focus on the results of the value survey question, it will compare those findings with the earlier cleanliness, food quality and service studies.

One in six respondents gives value "excellent" rating. . .

Overall, respondents were pleased with the price/value relationship of the meals they had recently eaten away from home. One in six consumers (16.2 percent) rated the value of their eating out experience as excellent, and a significant number—50.0 percent—ranked the price/value relationship of eating out as good.

However, a greater percentage of consumers gave excellent overall ratings for cleanliness and service. For instance, 18.7 percent gave cleanliness an excellent rating, and 24.1 percent ranked service as excellent. A smaller percentage, though, gave food quality an excellent rating—13.7 percent—suggesting that more than food quality goes into a value rating.

Because of economic constraints, many individuals are paying closer attention to their expenditures, including meals away from home. As a result, they may be slightly more critical of the value of the meal received for the price paid. This critical tendency may also be reflected in the percentage of poor and very poor ratings in the survey results. Price/value was rated poor or very poor by 6.0 percent of the respondents, compared with a much lower 0.6 percent for cleanliness, 3.2 percent for service and 4.1 percent for food quality.

Price/value, food quality, service and cleanliness ratings by total respondents

Rating	Price/value	Food quality	Service	Cleanliness
Excellent	16.2%	13.7%	24.1%	18.7%
Good	[illegible]	[illegible]	[illegible]	[illegible]
Fair	[illegible]	33.2	30.5	16.7
Poor	4.0	[illegible]	2.4	0.3
Very poor	2.0	0.7	0.8	0.3

Women and older adults rate price/value high. . .

Women and older adults seem most satisfied with the price/value relationship of eating out. Approximately 18.0 percent of the female respondents rated the value of a meal eaten away from home as excellent, compared with 14.0 percent of the male patrons. Older adults—65 years of age and over— were by far the most satisfied age group; 43.8 percent rated the value of the meal received for the price paid as excellent. Young people—18 to 24 years old—were least satisfied. Only 8.4 percent felt they received excellent value for the price paid.

These results are also mirrored in the previous studies. Women and older adults were significantly more satisfied with cleanliness, service and food quality; and young people and men were consistently least likely to give excellent ratings.

Why are women and older adults generally more pleased with the total eating out experience? One reason may be that women have usually been more involved with meal preparation at home, and so they tend to notice and appreciate the various factors that go into producing an enjoyable eating out experience. Another reason may be the increas-

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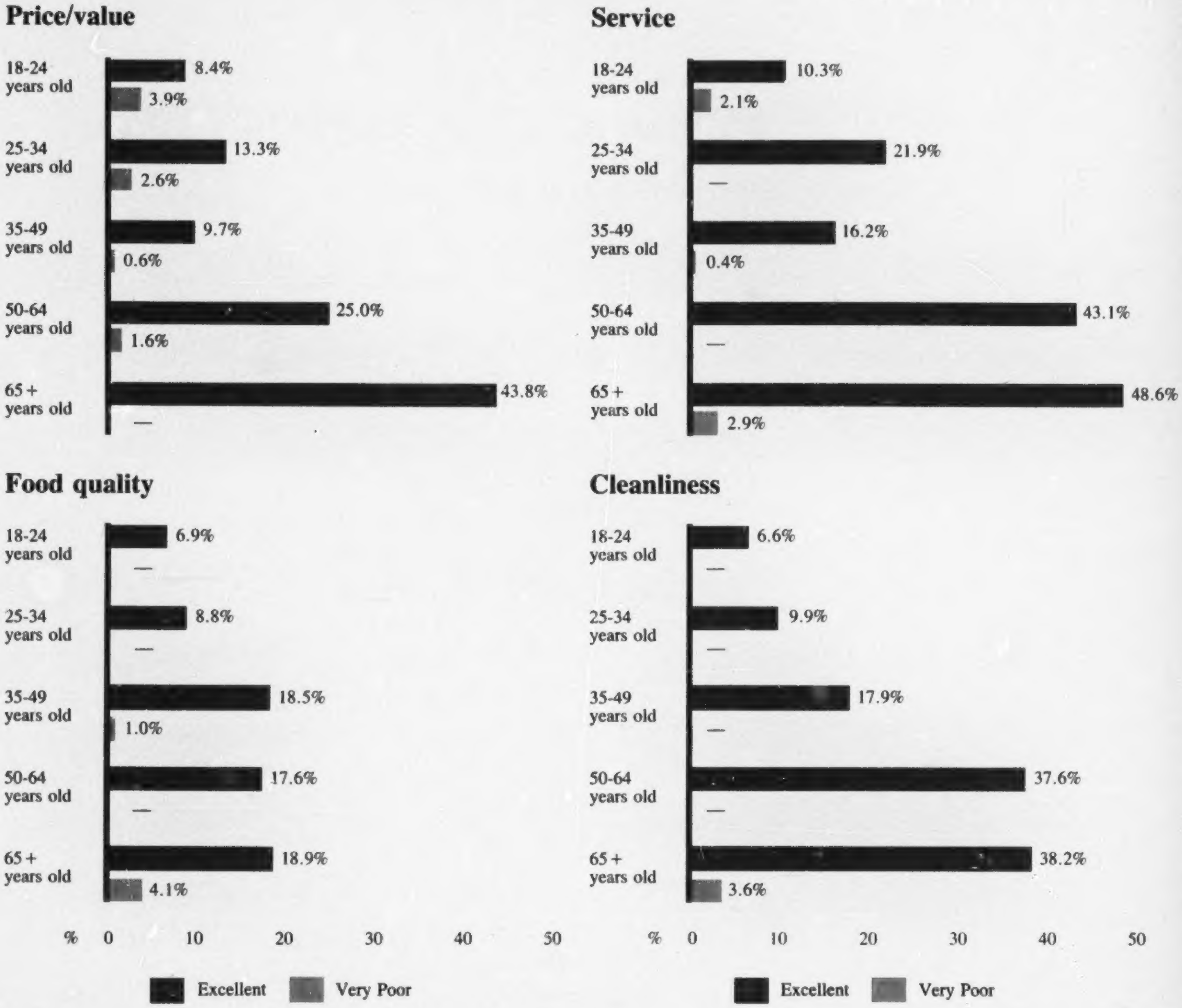
* The *Gallup Monitor of Eating Away from Home* is conducted monthly and tracks trends in eating out behavior for the U.S. population. Telephone interviews are conducted with approximately 1,000 adults 18 years of age and older. Respondents are asked to report on all meals eaten at a restaurant, fast food establishment or any other place where food was purchased, such as a lunchroom or cafeteria at work or school on the previous day. Specifically, individuals are asked to report on which meal occasion they ate out, the type of restaurant visited and which day of the week the visit occurred. The interviewing for NRA's value question took place between December 3 and December 16, 1982.

Excellent and very poor ratings by age group



ing number of females in the work force. Because women have less time to cook at home, they are apt to be more appreciative of the value and convenience of eating out. Older people, on the other hand, may be more satisfied with the value of eating out because, as a rule, they do not eat out as often as other age groups and so they value the eating out experience more highly. Also, because they have a smaller number of restaurant experiences for making comparisons, they are apt to be less critical.

Infrequent restaurant patrons view price/value more favorably. . .

Results of this Gallup survey underscore the finding in earlier studies that infrequent patrons are more likely to rate an eating out experience as excellent. The largest proportion of respondents who rated the value of eating out as excellent—27.8 percent—ate out, on average, less than once a week. In contrast, only 15.5 percent of the respondents who ate out more than four times a week said the value they received was excellent. Generally, individuals who eat out at least once a week rated the price/value relationship as good or fair.

This trend is also evident in the cleanliness, food quality and service survey results. Nearly 40.0 percent of the individuals who ate out less than once a week (infrequent patrons) stated that the cleanliness of the last restaurant they visited was excellent, compared with a significantly lower 12.0 percent of those who went out to eat four or more times a week (frequent patrons). Similarly, four out of 10 (38.5 percent) of the infrequent patrons reported they received excellent service, compared with about one-fourth of the frequent patrons. In addition, nearly 25.0 percent of those eating out only once a week gave service an excellent rating, and a similar proportion of this group gave food quality an excellent rating. Interestingly enough, the same proportion of both the frequent and infrequent restaurant customer groups rated food quality as excellent—100 percent.

Why are infrequent restaurant patrons less likely to be critical of an eating out experience? Possibly because they put more time and effort into deciding when and where to go, choose a restaurant where they know what to expect and, in general, have a smaller number of restaurant visits for making comparisons.

Price/value ratings vary by income level. . .

Individuals from households earning under $15,000 a year and those earning between $15,000 and $19,999 rated the price/value of the last meal they ate away from home higher than did those from other income segments. Approximately, 70.0 percent of the individuals surveyed in the lower income brackets stated the value received was excellent or good. A substantially lower proportion of respondents—58.0 percent—in the $20,000 to $29,999 income segment felt they had received an excellent or good value for the price paid, and 61.2 percent of the individuals earning $30,000 and over rated the price/value relationship as good or excellent. In general, the cleanliness, service and food quality survey results followed the same pattern.

One of the reasons for the higher value rating from households in the lower income bracket could be the increased use of coupons and other discounts by this segment. According to CREST data for the fall quarter of 1982, restaurant deals increased 17.0 percent over the same time period one year earlier. In 1982, a significant 10.9 percent of all eating out occasions involved some kind of discount. Individuals from the lower income segments are generally more conscious of these deals and also use them more frequently than do the higher income groups and, consequently, may feel they are getting better value.

Restaurant patrons view price/value higher during the week . . .

Customers said eating out during the week (Monday through Friday) is a better value than during the weekend (Saturday and Sunday). Almost 19.0 percent rated dining out during the week as an excellent value, compared with a much lower 8.6 percent who said weekend dining out was an excellent value. Conversely, almost five percent of the respondents believe the value of a meal eaten out during the weekend was very poor, while only 1.1 percent said the value of a weekday meal was very poor.

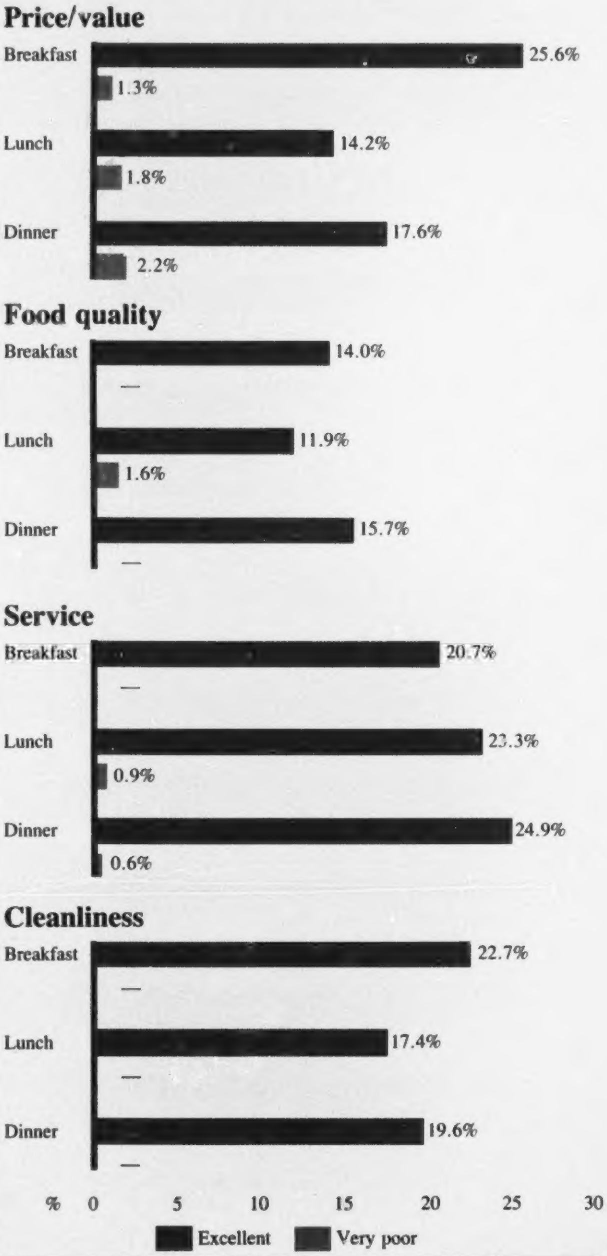
Respondents were also significantly more pleased with the cleanliness and service they found in restaurants during the week. Almost 36.0 percent rated the cleanliness of the last restaurant they had eaten at during the week as excellent or good, compared with a smaller percentage—26.8 percent—who rated cleanliness during the weekend as excellent or good. Service ratings jumped way ahead during the week—38.0 percent of the respondents gave weekday service an excellent or good evaluation, while a significantly smaller group—nearly 25.0 percent—rated service as excellent or good during the weekend.

This pattern of consumers being generally more pleased with eating out during the week may be due to the somewhat slower weekday restaurant business. Patrons may feel they are not quite as rushed or crowded and that they are generally pampered a little more by the wait staff when they dine out during the week.

Price/value evaluations differ by meal period. . .

Breakfast is the clear winner in consumers' eyes in the price/value ratings. Three out of four respondents rated breakfast as an excellent or good value. Ratings for lunch and dinner were lower. Sixty-two percent of the respondents rated dinner as an excellent or good value and 61.0 percent felt lunch was an excellent or good value for the

Excellent and very poor ratings by meal period



price paid. Breakfast was also rated highest in the cleanliness survey. Almost 23.0 percent of the respondents rated breakfast excellent in this area, compared with approximately 20.0 percent of the individuals rating dinner as excellent and 17.0 percent giving lunch an excellent rating.

Breakfast seems to be a natural choice for the number one spot in both the price/value and cleanliness ratings. Because the morning meal tends to be the least expensive meal to eat out, people probably feel they are getting a good size meal for a small size check. Contributing to the lower prices for breakfasts are relatively low costs for breakfast commodities. For instance, according to the Producer Price Index, the price of eggs has decreased 9.1 percent between January 1982 and January 1983. Fruit and juice prices have declined as well—down 3.3 percent—during the same period. (See the article on commodity prices elsewhere in this column.) In addition, since breakfast is the first meal of the day, restaurants generally have the spic and span look from thorough cleaning of the night before.

Although breakfast was the runaway winner in the price/value ratings, dinner captured the number one spot in the service and food quality ratings. Approximately one-fourth of the respondents rated the service at dinner excellent, compared with one-fifth of the consumers reporting breakfast service as excellent. More individuals—16.0 percent—also judged the food quality at dinner to be excellent, versus 14.0 percent who rated breakfast food quality excellent and a lower 11.9 percent who said food quality at lunch was excellent.

One reason for the relatively lower price/value ratings for dinner versus the higher food quality and service results could be consumers' expectations for the generally more expensive evening meal. Although they are willing to pay more for food and service, they are more critical of the overall eating out experience than they are for the less expensive breakfast or lunch occasions.

Overall, consumers seem least satisfied with their lunch occasions. Lunch received the smallest proportion of excellent votes in all three categories—price/value, cleanliness and food quality. Patrons also gave lunch more "poor" and "very poor" ratings than both breakfast and dinner in the price/value, cleanliness, service and food quality surveys.

Part of the reason for this somewhat negative reaction could again be the recession. People are economizing, and lunch is viewed as one of the more optional meals. Moreover, lunch occasions are often more crowded and hurried than other meal periods since more patrons tend to converge at the same time.

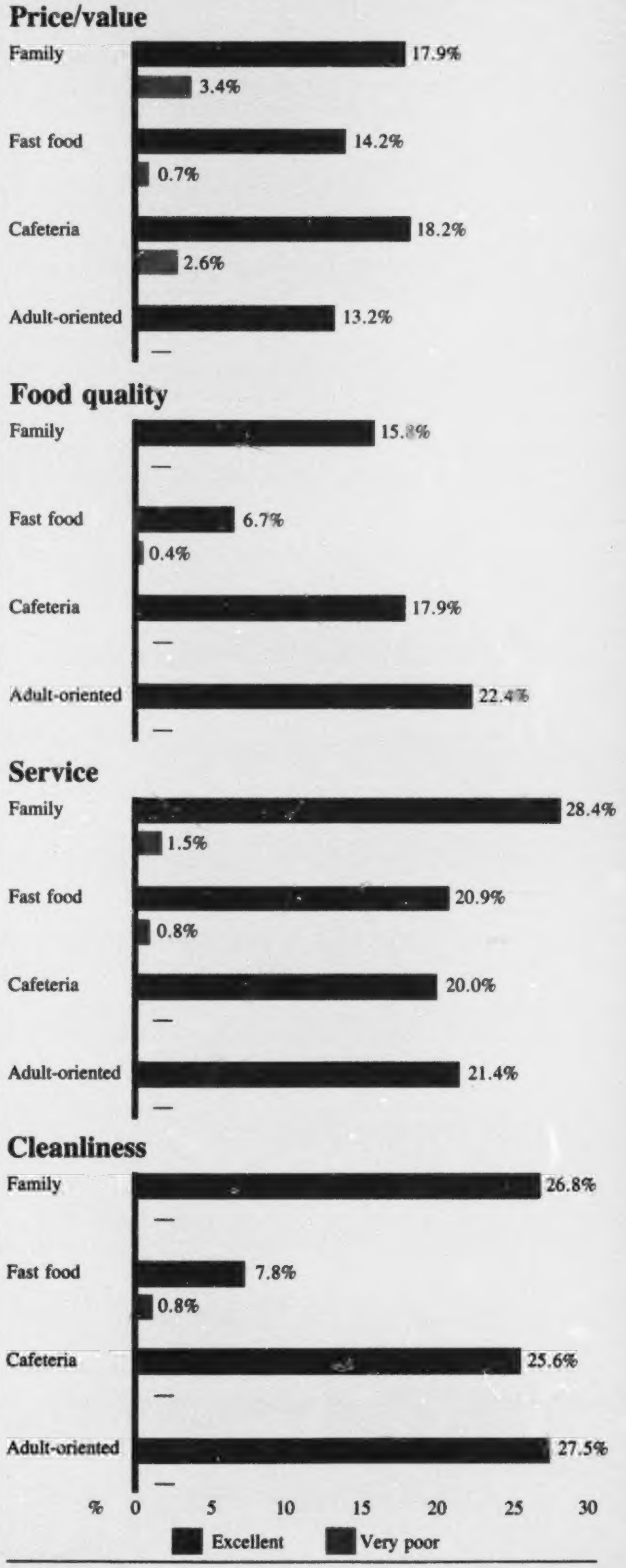
Operators of lunch-oriented restaurants may want to develop and promote an appetizing but simple lunch menu that is quickly available and moderately priced. Restaurants which specialize in entrees that take 25 or 30 minutes to prepare may want to discover less time-consuming ways to prepare the same foods or a simplified version. This technique can also be used to adapt popular dinner items for a lunch business.

Price/value ratings vary by restaurant type. . .

Family-type restaurants and cafeterias are perceived by consumers to offer the best value for the money spent. Approximately 18.0 percent of the respondents rated family-type restaurants and cafeterias as excellent.

Generally, consumers seem very pleased with the overall meal experience at family-type restaurants and have given

Excellent and very poor ratings by restaurant type



these restaurants high marks in the areas of service, cleanliness and food quality. Family restaurants captured the number one spot in the service ratings—28.4 percent of the respondents indicated they found excellent service at this type of establishment. A large percentage of respondents—27.0 percent—also rated the cleanliness at family restaurants excellent—only slightly lower than the 28.0 percent of respondents rating cleanliness at upscale restaurants as excellent. Family restaurants received a higher percentage of good ratings for food quality than any other restaurant category (51.0 percent), but they were third in the excellent food quality area (15.8 percent).

It seems clear that consumers appreciate the combined amenities offered by family restaurants. One indication of the success is that, according to CREST, customer traffic at family restaurants has risen in six of the last seven quarters, outperforming the industry as a whole.

Fast food restaurants received a significantly lower percentage of excellent price/value ratings than did family-type restaurants or cafeterias, with only 14.2 percent of the respondents indicating they received an excellent value for the price paid at fast food establishments. Fast food places also ranked very low in the food quality and cleanliness studies. Only 6.7 percent of the individuals surveyed rated the food quality at fast food restaurants excellent and 7.8 percent found cleanliness to be excellent. However, service ratings for fast food establishments were more in line with the other restaurant categories, with 21.0 percent of the respondents rating fast food service excellent. This equals the proportion of excellent ratings for upscale restaurants and approximates the 20 percent rating given cafeterias.

Fast food restaurants, as the term implies, offer customers convenience and quick service. According to CREST data, customer traffic at fast food places has risen for four consecutive quarters, indicating that many Americans are willing to make a tradeoff for quick service and convenience.

Upscale restaurants received the lowest percentage of excellent price/value ratings. Of the individuals surveyed, only 13.2 percent of the respondents said upscale restaurants offered excellent value for the price paid. On the other hand, these restaurants received the highest percentage of excellent ratings in both the food quality and cleanliness surveys. According to these earlier studies, 22.4 percent of the respondents rated food quality as excellent and almost 28.0 percent found cleanliness to be excellent. Respondents also rated service very high at upscale establishments, with 21.4 percent indicating they found excellent service.

Consumers appear to patronize upscale restaurants more for the excellent service, quality food and the general cleanliness of the establishment than for the value. Because upscale patrons often make the decision to dine at this type of restaurant to celebrate a special occasion, they place a greater emphasis on the quality of the meal and the service than on value.

Customer satisfaction . . .

No one factor persuades customers to return to a restaurant. Consumers' perceptions of the value received for the price paid for a meal, the quality of the food, the service offered and the cleanliness of an establishment all come into play when customers evaluate a restaurant experience. That is why restaurant operators may want to examine and promote each of these areas when trying to build customer traffic and repeat business. *—Cecelia Niepold*

The needs and desires of restaurant patrons

by Leonard A. Wood

The Gallup Organization

As part of Gallup's study of the foodservice industry, I have tried, through the use of a battery of questions, to categorize restaurant patrons on the basis of their needs and desires when eating out rather than on demographics.

When you do this you find that for the purposes of eating out consumers fall into four basic needs groups.

Most consumers prefer either casual dining or an adventure. . .

The two largest segments are those who prefer casual dining (30 percent of consumers) and those who are looking for variety (29 percent). The casual/low-cost group consists of diners whose primary interest is eating in a casual, familiar atmosphere and paying relatively little for the meal. They prefer fast food places, cafeterias and inexpensive family-type restaurants. These consumers tend to be either younger adults with small children or older adults more than 65 years of age. They also tend to be the less affluent with almost four in 10 earning less than $15,000.

Adventurous diners, on the other hand, enjoy trying new places and new foods. They like theme, ethnic and seafood restaurants and like trying new menu items. People in this segment tend to be slightly older, with peak ages occurring between 25 and 49 years of age. Women are more prevalent than men in this group.

About one diner in five (21%) falls into the quantity/quick service group. These are restaurant patrons who are attracted by large portions, quick service and entertainment. They prefer steak houses and family style restaurants. People in the quantity/quick service-oriented group are young. Most fall into the 18 to 24-year-old age group, and men are predominant. As was true of the casual group, the quantity-oriented patrons also tend to be less affluent.

About one diner in five is the special occasion diner. Customers in this group prefer relatively expensive meals in quiet restaurants with an elegant atmosphere. They prefer to go to white tablecloth or gourmet restaurants and would prefer to eat out less often and make dining out an occasion rather than go out more frequently to less expensive restaurants. Those who look upon dining out as a special occasion are concentrated in the 35 to 64 years of age group.

Preferences change with age. . .

A comparison of the age profile of the four diner groups suggests that adults go through stages in their preferences and needs when eating out. Those who enjoy large portions, served quickly are more likely to be the very young. As they grow into their late twenties and early thirties, their needs and preferences tend to shift to looking for new experiences in restaurants and food, particularly, if they are higher up on the economic scale. For the young with small children and the less affluent, the shift is to the casual family style or fast food restaurants where prices are moderate.

When consumers move into their late thirties, forties and fifties, their tastes again tend to shift, with many looking for meals eaten out to be special occasions. Among adults 65 and older—many of whom have retired—preferences tend to shift back to the casual atmosphere, family style restaurant where prices are moderate.

Opportunity for the white tablecloth segment. . .

The baby boom generation, whose members became teenagers and young adults in the 1960s and 1970s, filled fast food restaurants. This same group is now maturing. As they move in ever increasing numbers into the 35 to 64 year old age group, their eating out tastes will shift. In short, the special occasion group can be expected to expand greatly during the 1980s, greatly adding to the number of customers who have a need and a preference for white tablecloth dining.

The fastest growing segment of tne population between 1982 and 1990 will be in the 35 to 49-year-old group. During this decade the number will increase from about 39 million to about 52 million, an increase of almost 13 million people. By contrast, the 18 to 24-year-old group will show a net decline of about 5 million people, from 30 million today down to 25 million in 1990. The tableservice segment of the foodservice industry should be the benefactor of these demographic changes.

Our research suggests that women, to a much greater extent than men, have an underlying need to experience a change of pace when eating out, and frequently wish to obtain an atmosphere or menu item *not* available at home.

With women much more prevalent in the work force, and greater numbers of women moving into better paying positions, their tastes and eating out needs will be even more important in the future.

Wholesale food price update

The economy seems to be slowly turning around, and predictions for wholesale food costs during 1983 reflect this optimistic outlook. This article will update the wholesale price information reported in the February issue of *NRA NEWS* and summarize current trends which may affect the restaurant industry.

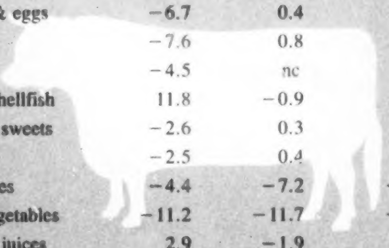
Nature tampers with vegetable supply. . .

Mother Nature may have affected the vegetable supply levels for spring and summer this year. Before the monsoon-like weather conditions in California, vegetable output was expected to reach 1982's record levels. Due to the severe winter storms, though, California's harvests may be smaller and restaurateurs may be faced with higher prices for some vegetables later in the year.

In the Salinas Valley—a major producer of lettuce, broccoli and spinach—drenched fields have severely delayed planting and may mean a significantly reduced harvest. Asparagus crops in the Delta region are threatened as well. Heavy rains in both Florida and Mexico may also affect vegetable supplies this spring. NRA will be monitoring the long-term effects of these storms and will discuss any possible repercussions to foodservice operators in later issues of the *NRA NEWS*.

So far weather conditions have not affected the frozen vegetable output due to large carryover supplies.

Commodity price index



Commodity	Percent change 1981 to 1982	 Dec. '82 to Jan. '83	 Jan. '82 to Jan. '83
Bakery products	3.3%	0.3%	2.2%
Flour & cereal	−5.3	−0.1	−3.0
Beef & veal	−0.8	2.5	−3.0
Other meats	16.9	0.4	9.2
Pork	14.0	0.6	11.2
Poultry & eggs	−6.7	0.4	−2.0
Poultry	−7.6	0.8	1.1
Eggs	−4.5	nc	−9.1
Fish & shellfish	11.8	−0.9	10.6
Sugar & sweets	−2.6	0.3	2.9
Sugar	−2.5	0.4	8.0
Vegetables	−4.4	−7.2	−20.4
Fresh vegetables	−11.2	−11.7	−31.2
Fruits & juices	2.9	−1.9	−3.3
Fresh fruit	3.6	−5.2	−8.1
Beverages	4.5	0.4	2.3
Dairy products	1.3	−0.04	1.2
Fats & oils	−1.4	−0.2	−3.3
NRA food cost index	**2.5%**	**−0.2%**	**−0.3%**
All food, producer price index[1]	**1.1%**	**−0.1%**	**−0.2%**

[1] *Includes all processed foods (except soft drinks, alcoholic beverages and animal feeds) plus eggs and fresh and dried fruits and vegetables.*

Sources: *Producer Price Index, Bureau of Labor Statistics; NRA.*

BEST AVAILABLE COPY

BEST AVAILABLE COPY

The canned vegetable supply forecast is also bright. Total canned vegetable supplies are 4.0 percent higher this year than one year earlier. The supply of canned beans and peas, though, is the smallest in years. Even though the supply of these vegetables has drastically dipped, prices have not dropped as expected. One reason for this is the decreased consumer demand for canned vegetables. Many individuals, conscious of the sodium content in canned vegetables, are opting instead for fresh or frozen vegetables.

California's winter storms may also affect fruit production and prices this spring. Orange harvests in Fresno and Tulare Counties are threatened as are strawberry crops in Orange County. Reduced harvests may result in higher prices later this year.

Despite unpredictable weather factors, fresh fruit should be plentiful this year as production of both citrus and non-citrus fruits is predicted to far outstrip last year's crops. Generally, fresh fruit will be a very good buy this year due to the sizable supply as well as only slight increases in marketing costs.

The total citrus crop is expected to reach 13.9 million tons this year, a dramatic 16.0 percent jump over last year's production levels—and up from earlier predictions of a 13.0 percent increase in supply. Contributing to the gain is the significant growth of the lemon, lime and orange crops.

Orange production is predicted to reach 224 million bushels this year, compared with a much lower 178 million bushels during the 81/82 season. Consequently, prices for oranges have dropped. Florida oranges in mid–February averaged $5.00 for four-fifths bushel, significantly less than the year before when they averaged $6.50.

Overall supplies of non-citrus crops are also forecast to be considerably larger this year than one year earlier. Grape production is expected to reach 5.7 million tons this year, up from 4.5 million tons during the 81/82 season. Consequently, prices for grapes have dipped sharply. Supplies of apples have also increased, rising from 3.9 million tons last year to 4.1 million tons this year.

Updates for other major commodity groups. . .

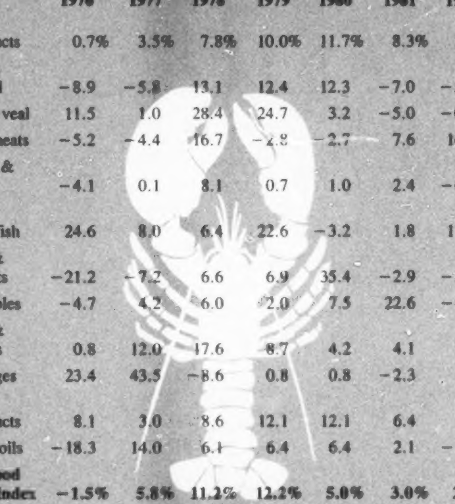
☐ The BEEF production forecast for 1983 has grown more optimistic over the last few months. BEEF production is now predicted to rise 1.6 percent to 22.7 billion pounds, compared with earlier estimates of a 1.0 percent decline over 1982's supply levels. Improving economic conditions and an expected upswing in consumer demand have probably contributed to this turnaround.

A larger proportion of the beef produced in 1983 will be corn-fed beef (which is the source of prime cuts such as steaks and roasts). Grass-fed beef categories (a major source of hamburgers and processed meats) are expected to decline. This switch is due to comparatively lower feedlot costs during 1983.

☐ HOG prices for 1983 are expected to rise more moderately than anticipated earlier. They are forecast to increase 2.8 percent over last year. Earlier USDA estimates predicted a larger 5.4 percent price increase.

Total pork output is expected to decline 5.0 percent over last year. USDA predicts the smallest first-half pork production since 1978, which may result in the lowest per capita consumption since 1976. The low production could strengthen prices somewhat, though uncertain consumer purchasing power may limit the gains.

Percent change in wholesale commodity prices 1975-1982



Commodity	1975 to 1976	1976 to 1977	1977 to 1978	1978 to 1979	1979 to 1980	1980 to 1981	1981 to 1982
Bakery products	0.7%	3.5%	7.8%	10.0%	11.7%	8.3%	3.3%
Flour & cereal	−8.9	−5.8	13.1	12.4	12.3	−7.0	−5.3
Beef & veal	11.5	1.0	28.4	24.7	3.2	−5.0	−0.8
Other meats	−5.2	−4.4	16.7	−2.8	−2.7	7.6	16.9
Poultry & eggs	−4.1	0.1	8.1	0.7	1.0	2.4	−6.7
Fish & shellfish	24.6	8.0	6.4	22.6	−3.2	1.8	11.8
Sugar & sweets	−21.2	−7.2	6.6	6.9	35.4	−2.9	−2.6
Vegetables	−4.7	4.2	6.0	2.0	7.5	22.6	−4.4
Fruits & juices	0.8	12.0	17.6	8.7	4.2	4.1	2.9
Beverages	23.4	43.5	−8.6	0.8	0.8	−2.3	4.5
Dairy products	8.1	3.0	8.6	12.1	12.1	6.4	1.3
Fats & oils	−18.3	14.0	6.1	6.4	6.4	2.1	−1.4
NRA food cost index	**−1.5%**	**5.8%**	**11.2%**	**12.2%**	**5.0%**	**3.0%**	**2.5%**
All food, producer price index[1]	**−3.3%**	**4.4%**	**10.5%**	**9.5%**	**8.0%**	**3.1%**	**1.1%**

[1] *Includes all processed foods (except soft drinks, alcoholic beverages and animal feeds) plus eggs and fresh and dried fruits and vegetables.*

Sources: *Producer Price Index, Bureau of Labor Statistics; NRA.*

☐ Overall BROILER prices may weaken during 1983 due to larger production, fewer exports and general economic conditions. Prices should pick up slightly during the April, May and June quarter, though, when more people have barbecues and picnics—activities that tend to increase overall chicken consumption.

International activity may also affect domestic broiler prices and supplies. Brazil and France are major competitors in the international broiler market, and they have been increasing their exports to the Mid East and the Far East—two of the U.S.'s largest overseas markets. This may increase domestic broiler supplies and could even further dampen broiler prices.

☐ EGG prices are expected to average approximately 64 cents per dozen in 1983, significantly lower than the original prediction of 70 cents per dozen. 1983's prices will be lower than 1982's because of reduced consumer demand and sinking export levels.

Consumers are eating fewer eggs—the result of dietary concerns and competition from other breakfast foods. During World War II, for instance, each American ate an average of 402 eggs per year, compared with a much lower 261 eggs per person predicted for 1983.

Note: *Information in this article describes the food situation in late February, 1983. Prices and supplies of many commodities can change rapidly, particularly when economic and weather conditions are uncertain. For the latest information on food prices and supplies, contact NRA's research department in the Washington office at (202) 638-6100.*

—Cecelia Niepold

FOOD FOR THOUGHT

Restaurant swap:
EMPLOYEE MOTIVATION
idea that works

Two Colorado restaurant operators recently confirmed the axiom that travel is a broadening (and motivating) experience. Larry Hopkins, owner/chef of the Powder House Dining and Spirits in Telluride, and Jimmy Lowe, owner/manager of the Country Road LTD Bar and Restaurant in Aspen, exchanged a representative portion of their foodservice staff for a three-day period last January—one wait person, bartender, dishwasher and fry cook.

Both restaurateurs thought the exchange went well. The idea for the swap came from a common practice in ski resorts to improve service by exchanging professional ski patrolmen. The restaurateurs decided to put this practice into operation in their restaurants as well. Hopkins and Lowe felt it would benefit their business if their staff saw how another restaurant in ski country conducted its business.

The employees loved it! As Hopkins told *NRA NEWS*, most of the people who work at ski resorts are avid skiers. And the opportunity to try out different ski slopes five hours away from home at no charge was a strong draw. Free ski privileges are an employee fringe benefit at most ski lodges because, according to Lowe, "at ski resorts people work in order to ski." The employees involved in this exchange volunteered for the swap. Each restaurant paid their own employees while they worked at the other restaurant. The employees were required to provide their own transportation, but there was no cost for lodging as the employees exchanged places to stay.

There were many benefits from the swap. The program gave the workers the perfect opportunity to discuss operational patterns with other professionals and to exchange ideas, techniques and recipes. Brister DeCell, a waiter from the Country Road LTD Bar and Restaurant, said that he had been working at that restaurant for four years and had his routine down pat. When he worked at the Powder House, everything seemed new and different. "I wasn't the king pin anymore. The experience gave me a new and broader perspective. I saw a different approach to doing the things I do everyday," acknowledges DeCell.

Brittany Sheain, the dining room manager at the Powder House who worked as a wait person in the Country Road, echoed DeCell's sentiments. Scheain said that working at a different restaurant introduced her to new people and ideas. She said she learned a lot about the industry and generally got a better insight into her job. "When you come back from an experience like this, you feel rejuvenated. You are eager to put into action the new practices you've learned. Trying out new techniques brings excitement to the everyday routine," observes Sheain.

Both Hopkins and Lowe say they are pleased with the program because of the employee motivation benefits. "The staff are excited about the opportunity of visiting a different ski resort and restaurant, and the employees who stay at home take great pride in showing visiting workers how things work in their own operation. There is a great feeling of comradery among the workers and that is always beneficial to the operation," Hopkins explains.

Part of the reason the exchange program was so successful, the owners maintain, is that both restaurants are very similar in style. Other exchanges have taken place since January and more are planned for the future. This is an idea that works, say Hopkins and Lowe. They recommend the swap idea to restaurant operators.

NRA SEMINAR SCHEDULE

Kitchen Management

4/25	New York, NY
4/28	Roanoke, VA
5/2	Atlantic City, NJ
5/10	Providence, RI
5/12	New Haven, CT
5/22	Chicago, IL (NRA Show)
5/31	Denver, CO
6/13	Orlando, FL
6/16	San Juan, PR

Location! Location! Location!

5/21-22	Chicago, IL (NRA Show)

Planning and Implementing Restaurant Marketing Strategy

5/2-3	Miami, FL
5/21-22	Chicago, IL (NRA Show)
6/27-28	Boston, MA

Menu Development

4/18	Tucson, AZ
4/20	New Orleans, LA
5/4	Lancaster, PA
5/21	Chicago, IL (NRA Show)
6/27	Oklahoma City, OK
6/29	St. Louis, MO

Creative Merchandising Techniques

4/21	Detroit, MI
5/22	Chicago, IL (NRA Show)
6/16	Louisville, KY

Motivation: Increasing the Desire to Do More and Better Work

5/3	Denver, CO
5/22	Chicago, IL (NRA Show)
6/1	Boston, MA

Operational Analysis

4/27-28	Denver, CO
5/21-22	Chicago, IL (NRA Show)

Basic Purchasing

4/18	Cincinnati, OH
5/9	Rochester, NY
5/21	Chicago, IL (NRA Show)

Basic Supervision

4/26	Omaha, NE
6/14	Columbus, OH
6/21	Grand Rapids, MI

Wine: Sales and Merchandising

5/22	Chicago, IL (NRA Show)

Simplified Baking Workshop

4/13	Syracuse, NY
5/5	Jacksonville, FL

Banquets and Buffets

4/26-27	Las Vegas, NV
5/18-19	San Francisco, CA
6/20-21	New Orleans, LA

Bar Management

4/18-20	St. Louis, MO
5/2-4	Minneapolis, MN
6/13-15	Honolulu, HI
6/27-29	Louisville, KY

Off-Premise Catering

6/20-21	Minneapolis, MN

Computers

4/25	Salt Lake City, UT
5/21	Chicago, IL (NRA Show)
6/20	Milwaukee, WI
6/23	Ann Arbor, MI
6/30	Buffalo, NY

Controlling Beverage Costs

4/19	Rockford, IL
6/6	Duluth, MN
6/8	Fargo, ND
6/15	Little Rock, AR
6/23	Cheyenne, WY
6/29	Madison, WI

Controlling Food Cost

5/2	Cleveland, OH
6/27	Evansville, IN
6/29	Lexington, KY

Dining Room Management

4/16	Portland, OR
4/26	Scranton, PA
5/3	Atlantic City, NJ
5/9	Boston, MA
5/21	Chicago, IL (NRA Show)
6/1	Boise, ID
6/14	Ft. Lauderdale, FL
6/28	Billings, MT
6/30	Anchorage, AK

Restaurant Design and Facilities Planning

4/25-26	New Orleans, LA
5/21-22	Chicago, IL (NRA Show)

Preparing a Successful Employee Manual

5/21-22	Chicago, IL (NRA Show)

Improving Food Production Methods

6/29	Hartford, CT

Hiring Hourly Employees

4/18	Austin, TX
4/20	Kansas City, MO
4/25	Wilmington, DE
5/21	Chicago, IL (NRA Show)

Practical Meat Workshop

5/22	Chicago, IL (NRA Show)

[redacted]

Keeping your needs in mind

USA
Uniform Systems of Accounts

Uniformed Systems of Accounts for Restaurants (USA), *revised 1983*
No where except in this NRA publication will you find such a comprehensive system of foodservice accounting. Written by the accounting firm Laventhol and Horwath, USA can help even the non-accountant set up a top-notch foodservice accounting system that covers all aspects of the business from daily sales to monthly projections.
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Legal Problem Solver for Foodservice Operators

The Legal Problem Solver for Foodservice Operators, *revised 1982*
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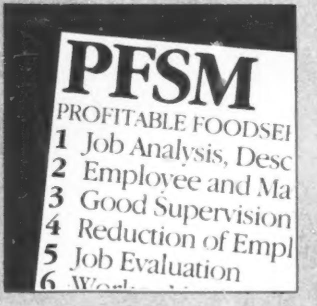
Price: **$14.50;** Publication number **MG410**

NRA Publications go right to the heart of the issues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National Restaurant Association
Vol. 3 □ No. 5 □ May 1983

NRA NEWS

A 8200-1 B 5/20/83

THE COMEBACK OF THE HOTEL RESTAURANT

We have much to celebrate

Those four days each year when the industry gathers together in Chicago for NRA's Restaurant Hotel and Motel Show amount to an annual celebration. We have much to celebrate this year. The recession seems to be ending, and our business is improving. NRA is now predicting better than two percent real growth in sales for 1983.

Yes, we have our problems—hostile legislation, lack of qualified personnel, the need for more educational programs, the need for more technical expertise—but this is where the National Restaurant Association comes in.

Sixty three years ago, John W. Welch and other industry leaders founded our association. They did so for two reasons. First, they believed that together they could handle problems more effectively than they could alone. And time has proven them right. Second, they believed that by sharing ideas they could become better businessmen and better competitors, and again time has proven them right.

The Show, then, is a celebration of industry unity. We gather not as coffee shop operators, cafeteria operators, fast food operators or tableservice operators. We come together as members of the foodservice industry in the belief that working together through the National Restaurant Association we can lick those problems that baffle us as individuals.

I look forward to seeing you in Chicago for this great annual sharing celebration.

Sincerely,

John G. Dankos

John G. Dankos
President

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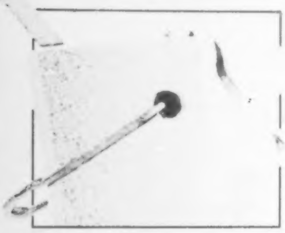

	8	Hotel restaurants are making a comeback after several decades of being in the doldrums. The reason: a new emphasis on quality and a new management commitment. Here is a look at how some hotel properties are polishing up their image—and winning back lost customers.

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Managers

Great chefs

Takeout

SHORT ORDER

Auction of rare wines scheduled for May 26

If you'd like to add a rare wine to your wine list, you may want to attend the 15th annual Heublein Premiere National Auction of Rare Wines scheduled for May 26 at the Beverly Wilshire Hotel in Los Angeles, CA.

This auction promises to provide something for everyone with vintages ranging as far back as 1790 to as recent as 1982. Lot sizes vary from a one-of-a-kind bottle to trade lots of 96 cases. And the prices range from as little as $4.00 a bottle to as high as a five digit figure.

Auction director Alexander C. McNally says, "Restaurateurs have figured prominently in the Heublein auction since it began in 1969, and scores of restaurants across the country have auction prizes in their cellars and on their wine lists.

"The wines that restaurateurs purchase at the auction enable them to offer unusual vintages at reasonable prices and still maintain their margins." As one restaurateur remarked, "If you have a good quality cellar and you price your wines fairly, you will attract a higher-ticket clientele."

Don't miss the members only drawing at the Show

Don't miss the members only drawing at the NRA Show. It can be entered by filling out a card at the NRA booth—the first one on the registration level.

BOSTON
D.C.
NEW YORK
LA

The grand prize winner and a guest will be able to take a trip to a city such as New York, Washington, DC, Boston, San Francisco or Los Angeles. Airfare and accommodations for this trip are provided by TWA and Hyatt Hotels.

Two second prizes will be awarded—complimentary registrations for an NRA seminar. There will be several third prizes of NRA publications.

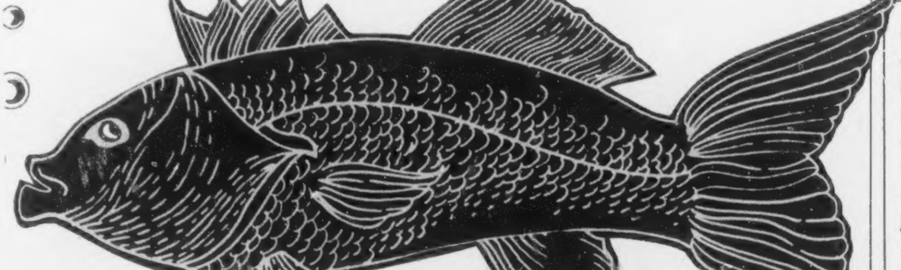
The drawing will take place on Tuesday, May 24.

Increase in U.S. fish and seafood consumption forecast

The U.S. is on the verge of a breakthrough in fish and seafood per capita consumption. That's the message Lee Weddig, executive vice president of the National Fisheries Institute, reads in current industry trends.

Weddig spoke recently at a seminar during the Seafood '82 exhibit in Boston, MA. According to Weddig, "Recent growth in major buyers in both foodservice and retail are placing pressure on producers and processors to provide more consistent, higher quality products. This should, in turn, lead to increased consumption by consumers."

In addition, he said, the consumer is made more aware of the availability of high value products through intensive advertising and promotional efforts, such as television and print advertising by the major restaurant chains, persistent newspaper seafood ads by restaurants of all types featuring seafood in major metropolitan areas, the inclusion of seafood in the regular metropolitan newspaper advertisements run by major retail chains, the major television and print advertising campaign developed by the Alaska Seafood Marketing Institute, and the continuing promotional efforts of the various regional and national fisheries development foundations.



Correction: Monolith Enterprises—the corporate name for American Cafe—plans to open 99 restaurants in 26 cities. Sales should top $240 million. The national part of this expansion is to begin in 1990. Incorrect figures for this expansion plan were reported in "Opening a 2nd, 3rd, 4th place," which appeared in the March 1983 issue of the NRA NEWS.

WASHINGTON REPORT

—Jay Morris

Study questions federal inspection of central kitchens

A new study by the U.S. Department of Agriculture (USDA) argues that restaurant central kitchens, which provide products for sale at their own establishments, should be exempt from meat and poultry inspection. The findings of this study could become the basis for regulatory and statutory changes in USDA's inspection policy. If that is the case, it will mean NRA has scored a victory in its attempt to have restaurant central kitchens exempted from federal inspection.

Under current federal law, all meat and poultry products prepared in a packing or processing establishment must be inspected by USDA. The law exempts operations conducted at restaurants that prepare food items for immediate sale to restaurant customers, with the exception of central kitchens.

NRA has argued that central kitchens should be treated the same as restaurants and therefore be exempt from inspection laws. In comments submitted to Vice President Bush, chairman of the President's Task Force on Regulatory Relief, NRA has stated that central kitchen inspection places "an unreasonable and unnecessary burden on the foodservice industry by adding another duplicative layer of inspectors and recordkeeping. Central kitchen operations are already subject to rigid and continuous health inspections—sometimes at three levels in the government. Further, all meats used in processed food products have already been inspected and approved by USDA prior to their departure from the slaughter house."

The new USDA analysis takes into account NRA's comments and notes that legislation was introduced in 1981 to exempt central kitchens from federal inspection. The study concludes that an exemption to "allow central kitchens to distribute their products to restaurants they own or operate, regardless of the number, will provide consistent inspection policies and reduce marketplace barriers."

NRA opposes immigration bill's employer sanctions

Immigration reform is again a possibility. The immigration subcommittees of the House and Senate Judiciary Committees have approved new immigration legislation (H.R. 1510, S. 529). On April 19, the full Senate Judiciary Committee approved S. 529.

In comments delivered to both House and Senate immigration panels, NRA expressed concern regarding paperwork requirements and employer sanctions in the Immigration Reform and Control Act of 1983. The legislation is nearly identical to legislation that almost passed last year. (It was approved by the Senate last August but failed House passage during the lame duck session in December.)

Employer sanctions in the bill have caused particular concern to NRA. The Senate version (S. 529) would make it unlawful for an employer to knowingly hire, refer for employment or recruit for employment an illegal alien. Employers would be required to complete and store a federal form stating they had verified the eligibility of each job applicant by examining documents, such as passports, drivers' licenses or immigration cards. Employers would be required to keep the forms for five years and make them available for inspection by government officers. A civil penalty of $500 would be imposed if an employer failed to maintain adequate records.

After a six-month grace period, the Senate bill would impose a civil penalty of $1,000 per illegal alien hired for the first violation and a $2,000 penalty per alien for the second violation. For those employers found to have engaged in a "pattern of practice" of hiring illegal aliens, a criminal penalty of up to $1,000 and/or imprisonment of up to six months would be imposed.

The House bill, H.R. 1510, is similar to the Senate bill, but it does not call for penalties until after the second violation.

In its comments, NRA suggested the paperwork burden caused by the legislation could be "significantly reduced" by authorizing the inclusion of the required certifications within normal employment application forms. NRA also said employers should not be required to keep the retained documents for more than two years.

Reagan proposes new minimum wage for youths

As part of its fiscal 1984 budget, the Reagan administration has proposed that the minimum wage for youths during the summer months be reduced to $2.50 an hour. The youth wage would apply to persons under age 22.

Secretary of Labor Raymond Donovan said studies indicate that the subminimum wage would create "anywhere between 150,000 and a half a million" new jobs.

Opposition to a subminimum wage is expected to be strong on Capitol Hill. NRA testified in favor of youth differential legislation when it was considered by Congress in 1981. At that time, NRA told the Senate Labor Committee it believed that youth wage had "the potential to expand youth employment and allow more growth to build the work experience and background they will need to advance in their adult careers."

The foodservice industry is the largest employer of teenagers. Approximately 16 percent of all youth employed in the U.S. work in restaurants.

TIP REPORTING UPDATE

NRA and Dole explore changes in tip reporting requirements

During a meeting with the National Restaurant Association concerning tip reporting requirements, Sen. Robert Dole (R-KS), architect of the Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982, voiced a willingness to explore several changes suggested by the association. Robert Neville, NRA executive vice president, and Ronald A. Sarasin, the new NRA director of government relations, met with the senator on April 26.

The meeting was part of NRA's ongoing effort to keep Congress and the Internal Revenue Service (IRS) informed of the adverse repercussions Section 314 of TEFRA has on the foodservice industry. Section 314 requires foodservice employers to allocate income to tipped employees when total reported tipping income falls below eight percent of an establishment's gross sales.

"Sen. Dole and his staff are fully aware of the concern the tip reporting provision has caused our industry. They are willing to discuss changes which will address these concerns," Neville said following the hour-long session in the senator's office.

Several meetings between NRA leadership, congressional leaders and IRS officials preceded the April 26 session. The NRA Executive Committee has committed itself to finding relief for the foodservice industry from the unfair burden imposed by the tip reporting law.

Sen. Dole met with NRA staff.

"We all agree that all citizens should pay taxes on income," Neville said. "But this law has created great inequities. We are hopeful that through continued negotiations with all parties, we can eliminate those aspects of the tip reporting requirements which are most unfair to employees and to management."

Former Congressman heads NRA's government relations department

Former Congressman Ronald A. Sarasin (R-CT) has been named director of government relations for the National Restaurant Association.

As NRA's director of government relations, Sarasin will spearhead the association's effort to articulate the needs of the $144 billion foodservice industry in such critical areas as labor, education and occupational health and safety.

Sarasin, a member of the 93rd-95th Congresses, served on the education and labor, aging and welfare reform committees. He was also the ranking member on a number of subcommittees including those with jurisdiction over the Occupational Safety and Health Act, the Comprehensive Employment and Training Act and Minimum Wage.

Before joining NRA, Sarasin worked as an advisor to the Alexander Proudfoot Company, an international management consulting firm. Earlier in his career he was a member of the Connecticut General Assembly and a partner in the law firm Perelmutter, Sarasin and Cohen. In 1978 he ran as a candidate for the office of governor of Connecticut.

Overwhelming response to NRA's tip reporting and allocation survey

More than 1,500 NRA members had responded to the association's tip reporting and allocation survey by April 25, 1983. This response clearly demonstrates the magnitude of industry's concern about the legislation. Member comments will be used to support NRA's efforts in the tip reporting and allocation area.

Here are some of the preliminary survey findings.

- Twenty-three percent of the 1,543 respondents report that tipped employees have received total tips of less than 8 percent since January 1, 1983. Based on this response, rough estimates indicate that the IRS could be inundated with as many as 25,000 requests from restaurateurs to lower the 8 percent "safe harbor" figure for their establishments.
- Tips totaled an average of 6 percent of sales for those respondents not reaching the 8 percent "safe harbor" level. Further analysis will reveal what proportion of respondents report that total tips fall below the 5 percent level in their establishments.
- Seventy-six percent of the NRA member respondents say tip reporting and allocation regulations have caused "problems with their employees."

The four most frequently-mentioned problems that restaurateurs and their employees are having with the new law are

1. Allocation—where the employer is required to attribute tip income to an employee without knowing if the employee actually received the tips.
2. Discrimination—since foodservice employees have been singled out and other tipped employees such as bellhops, taxi drivers and beauticians are not covered.
3. Confusion among employees, especially among those whose tips do not total 8 percent of sales.
4. Frustration among restaurateurs who must spend many dollars and hours to do what they believe is the job of the IRS.

—Susan Mills

THE LAW

Appeals court adopts position on NRA meal credits

The U.S. Court of Appeals for the Eleventh Circuit (Alabama, Florida and Georgia) has adopted NRA's position on meal credits. In recent years, the U.S. Department of Labor has insisted that employee participation in a meal credit plan must be voluntary. NRA has argued that this interpretation goes beyond the bounds of the Fair Labor Standards Act, which allows an employer a credit for the reasonable cost of meals "customarily furnished" to employees, but does not set up any voluntary participation requirement.

> **" If Congress had intended to impose . . . limitations on the meal credit . . . it would have done so. "**

Now the NRA position is law in Alabama, Florida and Georgia. The recent decision (*Davis Brothers, Inc.* vs. *Donovan*, March 21, 1983, Case No. 81-7775) involves an operator of motels, cafeterias and restaurants in three southern states. Prior to January 1, 1980, Davis paid at least the minimum wage in cash to all hourly foodservice employees and permitted them to purchase meals at one-half the retail price. On January 1, 1980, Davis instituted a new policy. Employees no longer directly paid for their meals. Instead they were permitted to select food from a limited portion of the regular menu, and Davis deducted $.25 and $.35 per hour from their wages as the reasonable cost of the meals provided them. This deduction resulted in some employees receiving less than the minimum wage in cash wages. The deductions were made as a condition of employment regardless of the wishes and eating habits of the employee.

As a result of a U.S. Labor Department compliance audit, the employer was found to be in violation of Section 3(m) of the federal minimum wage law and Department of Labor Regulation 29 CFR 531.30 because receipt of the meals by the employee was not voluntary and uncoerced. The employer had never obtained the consent of his employees before initiating the meal credit system.

The lower court upheld the Labor Department position, but the Appeals Court reversed, holding that (1) the term "customarily furnished" in the law permitting meal credits means "regularly provided" by the employer and not "voluntarily accepted" by the employees and (2) employers are allowed to take credit on cash components of the minimum wage obligation for meals regularly provided even if the employees are not given the option to take cash instead.

Excerpt from NRA's brief...

This was the argument advanced by NRA in a brief filed with the Appeals Court and in a previous NRA letter to the Secretary of Labor:

"If Congress had intended to impose . . . limitations on the meal credit [that the meal must be accepted by the employee in a voluntary and uncoerced manner] . . . it would have done so. It did not do so and there is nothing in the legislative history on the meal credit to indicate that it intended anything beyond the plain meaning of its words."

This Appeals Court decision affects operators in the three states of the Eleventh Circuit. The NRA is now attempting to determine whether the Labor Department intends to appeal this decision to the U.S. Supreme Court, and how (if at all) the decision will affect Labor Department handling of meal credit cases in other jurisdictions.

—Robert Palmer

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THE BOARD ROOM

1984 U.S. Culinary Team wins Austrian grand prize

Our team won it all. On March 24, 1983, the 1984 U.S. Culinary Team won the multi-national cooking competition in Klagenfurt, Austria, the first of two international competitions preceding the International Culinary Competition, often called the culinary olympics, in October 1984.

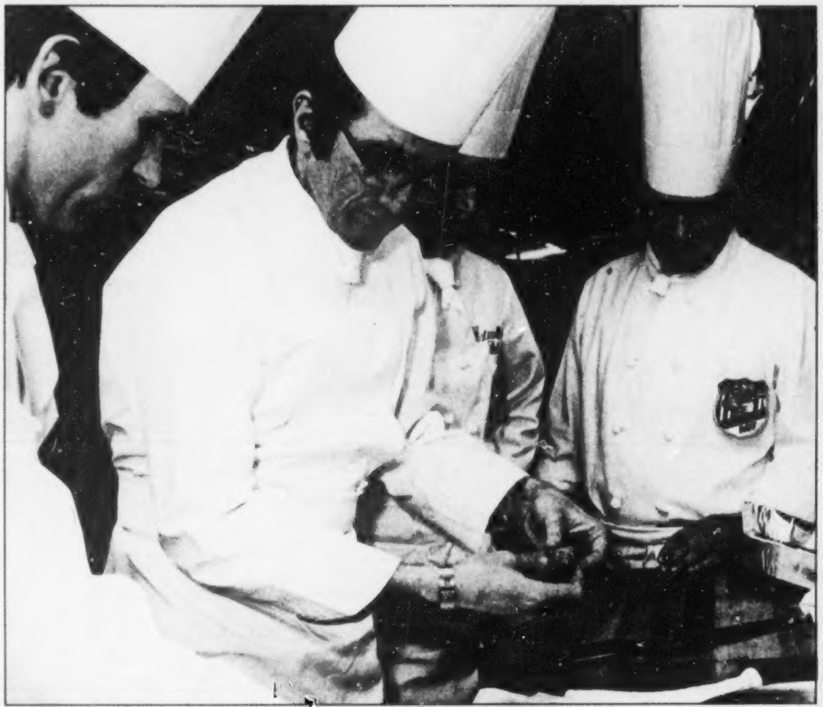
The International Culinary Olympics, held every four years in Frankfurt, Germany, draws chefs from around the world who test their culinary skills in a week-long competition with national recipes and indigenous native ingredients. The 15th International Culinary Competition in 1980 attracted 800 chefs from 23 countries, and the U.S. team won 32 gold and two silver medals outstripping chefs from France, Italy and Austria.

The U.S. team won the grand prize of the Klagenfurt competition with such native American recipes as Cajun Shrimp Mirliton, Chicken and Sausage Gumbo and Black Walnut Timbale. (See box of recipes.) In addition, the team won prizes of honor from the country of Luxembourg and the Chefs of Karnten, a golden spoon of the city of Villach and the grand chef's hat of the city of Klagenfurt. The team also won two special gold medals, nine gold, two silver and eight special awards.

During the six-day competition, members of the U.S. Culinary Team matched their skills against chefs from the countries of Austria, Canada, Czechoslovakia, Denmark, Germany, Hungary, Italy, Luxembourg, Japan and Yugoslavia. Teams from Austria, Germany and Italy tied for second place.

The 1984 U.S. Culinary Team is funded by the NRA/ACF U.S. Culinary Team Foundation, a nonprofit organization founded by NRA and the American Culinary Federation. NRA President John Dankos and Directors Walter Conti, Thad Eure, Jr. and Ernest Royal sit on the board of the new foundation.

—Dorothy Dee



Richard Schneider, captain of the 1984 U.S. Culinary Olympics team shows team members how to prepare Cajun Shrimp.–From left to right, Seigfried Eisenberger, Richard Schneider, Raimund Hofmeister and Marcus Bosiger.

Black walnut timbale

Servings: 6

1 1/2 cups Whipping cream
1/2 cup Instant pudding
1 cup Walnuts, toasted
1 tbs. Rum
2 tbs. 10X sugar
2 tsp. Gelatin, dissolved in some water
2 tbs. Red currant jam

Prepare 1/2 cup of any commercial instant pudding. Add the finely ground (preferably to a paste) walnuts. Add rum and sugar. Fold in whipped cream and gelatin. Pipe or spoon into cups. Also spoon into the mixture one tsp. of red currant jam. (Jam should be covered by the mixture.) Freeze for a few hours. Unmold by putting cups for a few moments into lukewarm water, insert a knife into cream and turn carefully till cream becomes loose. Place on plate and serve with Bourbon Sauce.

Bourbon sauce

1 cup milk
3 tsp. sugar
3 egg yolks

Bring milk to boil; mix yolks and sugar well. Pour yolk mixture into boiling milk, constantly stirring. As soon as sauce coats the back of spoon, take sauce off the stove and cool in an ice bath. Add bourbon to taste.

Cajun-style shrimp stuffed mirlitons*

Servings: 6

The mirlitons:

3 whole mirlitons: Simmer in salted water until tender. Cool, split in half lengthwise; with spoon, hollow out, leaving a 1/4" shell. Reserve.

The shrimp & sauce:

30 medium shrimp
2 tbs. olive oil
2 tbs. vegetable oil
1 to 1 1/2 lbs. reserved shrimp shells
2 carrots, peeled and chopped
1 medium onion, chopped
1 large shallot, chopped
1 clove garlic (unpeeled)
1 bouquet garni (thyme, parsley and bay leaf tied together)
1 1/2 oz. brandy

1-1/2 oz. ruby port
1 cup white wine
3 tomatoes, skinned and chopped
1 1/2 tbs. tomato paste
3 cups heavy cream
1/2 tsp. fresh tarragon
butter, enough to fry shrimp

Peel, devein and cut shrimp in half (not butterflied). Reserve shells. Heat oil in large saute pan until smoking. Add 1 to 1 1/2 lbs. reserved shrimp shells, carrots, onion, large shallot, garlic and bouquet garni. Saute until shells turn bright red. Add brandy and ruby port. Reduce mixture by one-half. Add wine, tomatoes, tomato paste, heavy cream and tarragon, simmer and reduce until slightly thickened. Strain through a sieve, then through cheesecloth.

Spice mixture:

6 tsp. salt
1 tsp. cayenne pepper
1 tsp. white pepper
1/2 tsp. black pepper
1/2 tsp. dried thyme
1/2 tsp. basil
1/2 tsp. oregano
4 tsp. paprika
1 large red pepper (julienne)
1 large green pepper (julienne)

Combine spice in mixing bowl. Cut red and green pepper into julienne strips. Poach lightly and reserve. To bread mirlitons, drop mirlitons in flour then in beaten egg, then in bread crumbs and fry them at 340°F until golden brown. Reheat sauce. Add shrimp and pepper slices. Fill mirlitons with shrimp and peppers. Any remaining may be arranged on the plate. Pour sauce over shrimp and mirlitons. Serve.

**Mirliton is the Cajun name for chayote; it is also called a vegetable pear. A mirliton is similar in taste to a squash.*

NRA board members named to Grandparents Day advisory board

NRA board members Michael O'Neal, The Ginger Man Group, New York, NY, and Harry Knowles, The Manor, West Orange, NJ, have been appointed to the Restaurateurs Advisory Board of the National Council for Observance of Grandparents Day. Also on the Restaurateurs Advisory Board are NRA President John Dankos, Dankos Enterprises, Richmond, VA; and board members Ralph Evans, Evans Farm Inn, McLean, VA; Michael Hurst, 15th Street Fisheries, Ft. Lauderdale, FL; John Koniares, Kernwood at Lynnfield Inc., Lynnfield, MA and Victor Impeciato, Vittorio's, Atlanta, GA. NRA Senior Director Jeff Prince is also on the board.

HAPPINESS
is being a
GRANDMOTHER

NRA President John Dankos is on the Restaurateurs Advisory Board for Grandparents Day. He is shown here with his wife, Theresa, and his grandchild, April.

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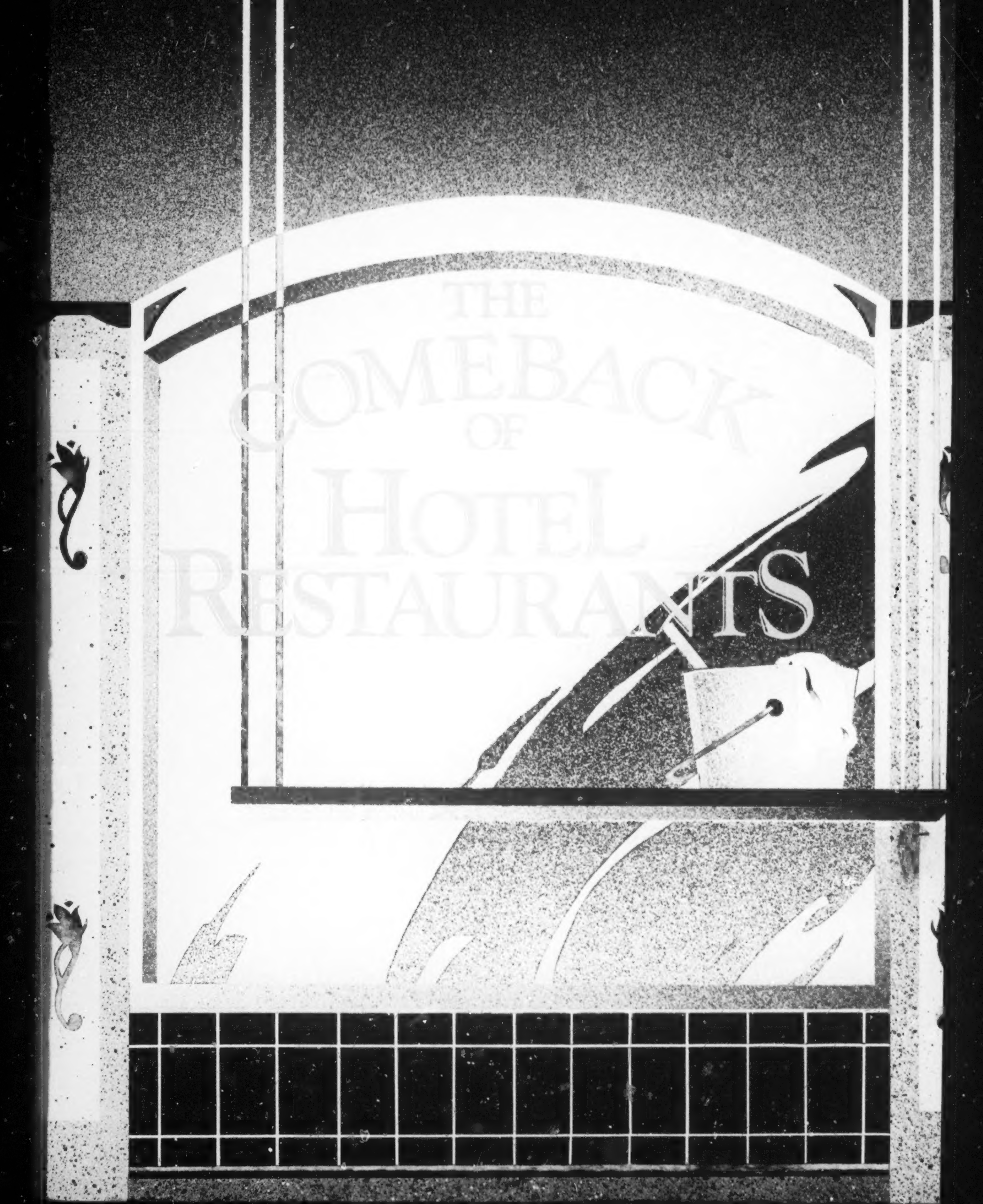

THE
COMEBACK
OF
HOTEL
RESTAURANTS

by Elyse Cuttler

After several decades of receding into the background, hotel restaurants are making a comeback. Here is a look at how and why they are trying to win back lost customers.

"In the 1930s and 1940s, hotel restaurants seemed to be the only places to go to have a custom-prepared meal. But the emergence of free-standing restaurants detracted from the hotel restaurant's sales," says Jack Giacomini, senior vice president of operations, Atlas Mission Valley Inn, San Diego, CA. "Unfortunately, the hotel industry didn't think they could do anything about this loss in customer counts, and they conceded to the competition."

"Hotels focused their attention on keeping the rooms occupied. Restaurants were viewed as an obligation because of their much lower level of profit. Therefore, the restaurants became a secondary function and declined in popularity," adds James Nassikas, president and managing director of the Stanford Court Hotel in San Francisco, CA.

This attitude, which permeated the hotel industry until the mid 1970s, affected the quality of food and the ambiance. That is why many hotel restaurants saw a decline in dining during the 1950s and 1960s, maintains John Albin, food and beverage director at the Fairmont Hotel in New Orleans, LA. "In the past, hotel restaurants did a lousy job—that's why guests went elsewhere," he says. "Now, however, hotel restaurants are making a comeback. They are hiring better chefs, changing their decor and providing better service."

At the Westin St. Francis in San Francisco, CA, for example, executive chef Norbut Brandt and master pastry chef Mike Baranyag have made such a name for the restaurant that Brandt was invited by First Lady Nancy Reagan to prepare dinner for Queen Elizabeth and Prince Philip.

For the hotel restaurant that is trying to win back these lost customers, the quality of food preparation and menu development seem to be the places to start. "All our food is made on the premises. We don't use convenience products," boasts Felix Meier, food and beverage director of Radisson Hotels in Minneapolis, MN. "We have three restaurants in the hotel, and each caters to a different group of people. One restaurant is open for three meals and the other two are speciality restaurants. One is open for lunch and dinner and the other open for dinner only," explains Meier. "Sometimes it is difficult to come up with different menus for each of our properties, so we always try to build in items that are known locally. The geographical location of the hotel becomes very important in our menu planning," he adds.

Changing the restaurant entrance...

Sometimes customers are intimidated by the entrance to a hotel restaurant. At the Sheraton Atlanta, in Atlanta, GA, guests must walk through the hotel lobby to an elevator and ride up 25 floors to dine in the Cyprus Bay restaurant. "I believe this is a negative situation," says Dan Pirrallo, assistant food and beverage director, "but we advertise the restaurant as having the best view of Atlanta. That seems to make people a little less reluctant to come downtown to go out to eat."

Fern Margolis of PGA Sheraton Resort decided to put up a billboard to let potential local guests know that the Explorer's Club was open to the public. "The restaurant is not visible. Customers must drive a half mile down a road and through a security guarded gate which seemed intimidating. The billboard helped to tell guests they are welcome anytime," she says.

Some hotels have been able to create separate entrances to their restaurants. According to Felix Meier, Radisson Hotels has remodeled its restaurants to resemble independent free-standing establishments. "Our restaurants have an outside entrance with a canopy and valet parking," he explains. "We found that since our guests do not have to walk through the hotel lobby, our customer counts are up."

The Embassy Row Hotel in Washington, DC, also decided that it didn't want its patrons to enter from the lobby, and during its renovation it built a separate entrance. "The general consensus seems to be that hotel restaurants are not really living up to the fine standards of cuisine and service of the free-standing restaurants," explains general manager Peter Buse. "By making the La Reserve seem independent, we believe we can prove that the assumption is not true." Customers now enter La Reserve by walking up an elegant staircase.

"Hotel restaurants cannot survive on hotel guests alone. We must capture some of the free-standing restaurant market."

Establishing a separate identity. . .

Even the advertising establishes many hotel restaurants as being separate from the hotel. "Instead of La Reserve, the restaurant in the Embassy Row Hotel, we are using the slogan: La Reserve, the restaurant on Embassy Row," explains Buse.

The Atlas Mission Valley Inn, took the same approach with La Hacienda. "We gave the restaurant an independent identity. It can be seen from the street, and it doesn't seem to be connected with the hotel," says Jack Giacomini. "This is the way we found to enlarge our customer market."

The Stanford Court Hotel has also created a separate identity for Fournous Ovens. "Because of the negative perception of hotel restaurants as being non-creative, I purposely established Fournous Ovens as an entity unto itself," admits Jim Nassikas. "Guests have heard about the restaurant, but they have no idea it is located in the hotel," he adds. Nassikas has worked hard to establish that separateness and his efforts have paid off. "One of the most exciting compliments I can recall is the occasion when a guest came down from his room and hailed a cab asking to be taken to the Fournous Ovens Restaurant."

Competing with free-standing restaurants. . .

The majority of hotel officials agree that if their restaurants are to acquire a loyal local following, they must directly compete with the free-standing restaurants in that area.

"Hotel restaurants cannot survive on hotel guests alone. We must capture some of the free-standing restaurant market," explains Felix Meier of the Radisson Hotel Corporation. "We try to get local patrons to recognize our restaurants as a restaurant, not a hotel restaurant. We always have daily specials and seasonal promotions. Our pasta promotion was very successful—the type of event that gives us a lot of repeat customers."

"Marketing to local patrons comprises a large percentage of our promotions," says Dan Pirrallo of the Sheraton Atlanta Hotel. "We send our flyers, reduced menus, calendars of events and customer experience cards to everyone who has been a local customer. We try to give the local patrons an incentive to come back. It is the local patron that makes the restaurant a popular place to dine."

Don Blum of the Westin St. Francis Hotel believes that promotions to local patrons can make or break a hotel restaurant. "San Francisco is a restaurant town. I look across the street and see four popular department stores that have recently upgraded their restaurants to gourmet cuisine, and I don't want to lose any customers to them," says Blum.

To make sure this doesn't happen, Blum runs monthly food promotions, based on a different theme each month. In February The English Grill Restaurant featured food from New Zealand. "February is typically a slow month, and we weren't prepared for the huge success of this promotion. I found out that there are a lot of people from New Zealand living in San Francisco. They were enthusiastic and quite surprised about what we were doing. I know these patrons will come back to try our other promotions," he adds.

The Mayflower Hotel in Washington, DC, is in the process of a top-to-bottom facelift. The restaurants will be renovated by early 1984. Dennis Charles, food and beverage director, says that attracting local clientele will become a hotel policy.

"When the renovation is complete, we will advertise locally and invite prospective local customers to sample our food. We will also use a mailing campaign to announce the completion of the restaurant," Charles explains. One promotion that the Mayflower Hotel uses to attact local clientele is their popular afternoon tea. According to Charles, "Customers relax and look at the beautiful surroundings while listening to violins in the background. This activity is very popular and it especially fits into the elegant tradition of our hotel."

Where hotel restaurants will go from here. . .

Hotel restaurants have made great strides in recent years. There is a major effort among food and beverage directors to upgrade the restaurants and pay more attention to what is taking place in their foodservice operations. According to most hotel restaurant managers, hotel restaurants are back and they are here to stay.

"Foodservice is very important to our hotel," says John Albin of the Fairmont Hotel. Nearly 40 percent of total yearly sales are in the food and beverage area."

Dennis Charles of the Mayflower Hotel agrees that foodservice is important. "A customer will remember good food—a nice room just isn't enough."

"Our philosophy is that the level of foodservice creates the reputation of the Atlas Mission Valley Inn. "It can enhance that reputation as a quality hotel or it can quickly destroy that reputation. Those hotel restaurants that aren't competing with other restaurants still have the same old tired dining rooms with low occupied tables. But those hotels that are actively competing with free-standing restaurants are making a dent in the market," he concludes. "The future looks very bright for hotel restaurants." ❑

SUPERMARKETS are taking a bite out of restaurant sales

by Kathy Boyle

The supermarket, a competitor in the restaurant business? It may seem unlikely, but as consumer spending for food away-from-home continues to grow, so does the competition.

From 1972 to 1982 the restaurant's share of the food dollar rose from 22.6 percent to 27.3 percent. Some of the biggest losers in the spending shift were supermarkets. But supermarkets did not take this loss sitting down. They decided to fight back. Here is a look at some of the ways they're taking a bite out of restaurant sales.

I. Restaurants on the premises

Although the percentage of supermarkets with actual restaurants on premises is still relatively small—somewhere between three to five percent, the wide variety of total food services offered by supermarkets boosts this figure much higher. According to a survey done by *Supermarket Business*, supermarket food services grew dramatically in the decade between 1970 and 1980: →

The study found that foodservice was highest among larger stores. In addition, a greater proportion of bakeries and full-service delicatessen departments were in northeast and north central stores. For example, 65 percent of northeast stores have delis compared with a 33.4 percent national average.

From candy counters to cafeterias. . .

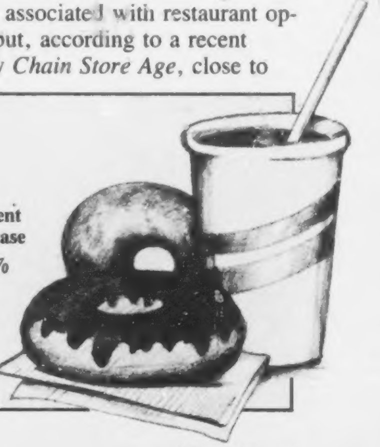
Actual restaurants in supermarkets vary from old-fashioned candy and ice cream sections to traditional counter service and cafeteria operations. The nation's second largest food retailer, The Kroger Company, operates 242 restaurants in its stores. Its first restaurant was opened in 1976, but the majority were built in the past two years. Kroger recently opened a more upscale, white tablecloth restaurant called B.K.'s Greenhouse in Atlanta. B.K.'s (named for Barney Kroger, the company's founder) has fancier decor than the average supermarket restaurant and has full tableservice. It has its own separate entrance and serves three meals a day. Liquor also is served.

The green-and-white-checkered pattern theme restaurant primarily attracts families for dinner, Kroger shoppers for breakfast and nearby business workers for lunch. There is speculation that the B.K.'s theme may eventually replace Kroger's 241 more casual, in-store, self-serve restaurants.

On the whole, retailers are somewhat reluctant to take on the higher labor costs associated with restaurant operations but, according to a recent survey by *Chain Store Age*, close to

Percent of supermarkets offering foodservice

	1970	1980	Percent increase
Bakery	10.4 %	21.6 %	108 %
Deli	21.1	33.4	58
Serviced fast food	3.1	11.9	213
Snack bar	3.8	5.2	37
Full-service restaurant	1.7	2.2	29



70 percent of the chains and independents polled said that new store blueprints include snack bars. The philosophy behind this service seems to be to build traffic by offering convenience and demonstrating goodwill.

Several companies are experimenting with salad bars in the produce section of their stores, and they are having great success. Stop & Shop in Boston, MA, has a half dozen part-time employees helping customers prepare salads they can eat in the store or carry out. Another company features a juice bar with freshly squeezed fruit and vegetable juices. Customers pay for the fruit, but there is no additional cost for the service.

In addition to operating restaurants, supermarkets have made steady inroads into the traditional corner delicatessen and bakery trade. During the 1970's food retailers concentrated their efforts in the deli to counter the escalating competition from fast food chains.

Last year *Progressive Grocer* estimated 49 percent of supermarkets had service delicatessens. *Chain Store Age Supermarkets* estimated that these deli sales came close to $7 billion. Mark Hollis, vice president of public affairs and public relations for Publix Supermarkets in Lakeland, FL, explained that although his company has only three restaurants in its 267 stores, "all but 10 of our stores have a full-service deli with carryout pizza, sandwiches and a regular three-course hot-dinner menu for less than $3.00. We've been into deli for 15 years or more."

Supermarket delis vigorously cater to the luncheon trade with carryout sandwiches, salads, ribs, chicken as well as macaroni and cheese. Supermarkets give deli personnel extensive training in all areas of food preparation and sales. Although the investment is high to offer hot foods, the microwave broadens the range of hot foods possible.

Delis have also moved into catering services. Many offer a variety of party platters that include a lot more than just cold cuts and cheese—salads, rolls, fixings and desserts.

Bakeries offer breakfast. . .

The supermarket bakery, visible in approximately 29 percent of supermarkets, is second only to the deli in service departments. Decorated cakes for weddings, bar mitzvahs, birthdays and special holidays are a bakery mainstay. Well thought-out displays, photographic albums with ordering suggestions and large graphics draw attention to bakery and catering services. In recent years—with more Americans eating breakfast away from home—bakeries have moved aggressively into breakfast offerings. To complement their donuts most bakeries offer some form of coffee service. Bakery breads, cakes and pies are also channeled into the supermarket's restaurant, snack bar and deli operations.

Possibly the most exciting new development in food retailing is the new "gourmet food store." Although this service does not fit into traditional foodservice categories, it has become a popular dinner alternative.

Ten years ago only a handful of supermarkets in the United States carried so-called gourmet products. Today, kiwis, snails, tortillas, ginger root and exotic cheeses are commonplace. This is due in part to a tighter economy as well as to a greater consumer sophistication. In harder economic times, consumers, with fewer dollars to spend, traditionally return to eating and entertaining at home. In recent years, because consumers have been exposed to ethnic foods at restaurants, taco houses, pizza parlors and Chinese carryouts, their interest in these and other specialty foods has grown. Consumers are more willing than ever before to experiment with gourmet food preparation, as demonstrated by the proliferation of gourmet cookbooks and soaring enrollments in gourmet cooking classes.

According to an informal survey by the Food Marketing Institute, the supermarket industry's trade association in Washington, DC, there are 37 companies that operate gourmet stores. More plush than the traditional neighborhood supermarket, these stores spare no expense to delight their patrons with exotic produce, unusual seafood and fresh pasta. "Someplace Special," a suburban Washington, DC, gourmet supermarket operated by Giant Foods, for example, not only caters to Washington's affluent two-income professional families but also to embassy chefs and foreign diplomats. Chicken Kiev, poached pears, fish mousse, pasta salad, buffalo rib eye steak and two types of truffles are some of the available items.

In-store demonstrations and classes. . .

Gourmet stores do more than display their foods. They increase interest in their products by in-store demonstrations. And a few, like Byerly's Inc., in Minneapolis, MN, even feature gourmet cooking classes on the premises.

In addition, they pay greater attention to personal service, including menu planning, on-the-spot dinner preparation and food deliveries. Often there are hosts and hostesses to provide tours, answer questions and help plan dinner parties.

Sometimes the store offers the wares for the dinner parties, too. Safeway Stores, the nation's largest food retailer, has a *Bon Apetit* gourmet food store in the affluent San Francisco suburb of Tibaron. The store carries a line of *Bon Apetit* trademark items, such as tableware, cookbooks and aprons.

Who is the shopper who frequents gourmet stores? According to *Chain Store Age Supermarkets*, "she's a trendy, curious and demanding shopper with a family income in excess of $35,000 and runs up weekly supermarket bills of $125 or more."

The supermarket industry is changing. . .

In short, the supermarket industry is changing. Grand Union, the nation's eighth largest food retailer, revised its image when it was purchased by Cavenham, Ltd., an English firm. "We saw a trend developing toward the increased popularity of neighborhood boutique stores," explained Don Vaillencourt, Grand Union's vice president of corporate communications and consumer affairs. That is why the Grand Unions have added dozens of cheeses, homemade pasta and health and natural foods, and a quarter of their items can be characterized as international or gourmet.

What does this mean for restaurant operators? It means that suddenly supermarkets are competing for the dollars consumers allocate to dining. Although supermarkets are new at foodservice, they are learning fast, applying a new twist to something with which they are already familiar—food. ❑

Food Safety Laws

the New Upheaval

by Judy de Torok

The only thing clear about the topic of food safety is that it is a foggy issue which eludes the government as well as industry and consumer groups. The public became aware of food safety in the 1960s, became sensitized and even frightened by the potential dangers of additives in the 1970s and is now taking a more active role in the food safety arena—possibly leading to changes in the food safety laws themselves.

The food laws have been effective: America has the safest food supply in the world. The problem is that the regulations are not as seal-tight as they once were. As science is becoming more and more sophisticated, the food laws are becoming more and more outdated. Today, regulators have to make decisions on a product-by-product basis, which is such a costly and time-consuming process that decisions have not kept up with scientific research and growing consumer interest in nutrition. It is only a matter of time, therefore, before the food laws are rewritten.

What might this mean for restaurant operators? It could mean that substances once assumed to be safe could no longer be used or could only be used in restricted situations. This could alter methods of preparing food or lead to a search for alternative substances. The recent controversy over sodium bisulfite is a good example of what can happen.

Sulfiting agents, including sodium bisulfite, have been used for decades to sanitize food containers, to reduce food spoilage and to keep food looking fresh. These agents, used in products as different as vegetable fresheners, food stretchers and wine—more than 20 different categories in all—have, until recently, been believed to be safe. Last summer FDA proposed that sulfiting agents remain on the agency's Generally Recognized as Safe (GRAS) list with minor restrictions. After the FDA proposal was published, the Center for Science in the Public Interest called public attention to scientific research which suggested that these additives could be harmful to some asthmatics. The media picked up the story. The continual controversy and the confusion among consumers promoted NRA to send an alert to its membership, recommending that they suspend use of preservatives containing sodium bisulfite. Several weeks later the FDA requested labeling in sulfites.

Fortunately, there are substitutes for sodium bisulfite such as ascorbic (vitamin C) acid or malice acid which is derived from apples. But both of these substances are about 10 times more expensive than sodium bisulfite. Restaurateurs not wishing to pay the higher price for the alternative substances have begun buying in lesser quantity or preparing food in smaller batches. Less costly substitutes are being developed.

Sodium bisulfite is not an isolated case...

Sodium bisulfite is not an isolated case. Some consumer groups have already turned their attention to other substances that can pose health problems. Take the recent concern over salt, one of the most commonly used and taken-for-granted additives. Salt has been linked to high blood pressure and other physical problems.

There has already been a call for menu labeling. Greg Moyer, managing editor of *Nutrition Action*, published by the Center of Science for Public Interest, maintains that "restaurants could play an important educational role by providing customers with nutrition labeling. Fast food restaurants, because of their standardized menus, could very easily list the sodium content of their burgers and fries." And, in fact, some chains have already done so.

Protecting the public is not easy...

Protecting the public from potentially harmful substances is not an easy task. The advancement of science has led to an ever-increasing use of chemicals, to a more complex food distribution system and to more sophisticated, probing detection techniques. It has become increasingly difficult to define what's safe, what degree of safety is practical and to what extent government should regulate the food supply.

The problem is that consumer and industry groups, federal agencies, congressional committees, scientists, economists, lawyers and lobbyists cannot agree on how to answer these questions. Even the 1938 Food, Drug and Cosmetic Act did not define safety beyond broad concepts. As one spokesman from the U.S. Department of Agriculture said, "Clearly, in scientific tests today, there is a white area of safety and a black area of danger. What remains unclear is the vast gray area in between."

One way to make sense out of the gray area is by a technique called risk assessment. Risk assessment is a way to weigh public benefits against public risks. Theoretically, it can be done. And a credible and valid risk assessment method would certainly facilitate the decisionmaking process within regulatory agencies. Unfortunately, the tools of risk assessment are still rudimentary.

Risk assessment—a fledgling technique with promise. . .

Nearly three years ago, when the saccharin debate was at its height, supporters of saccharin were making risk assessment arguments. They were saying that if you remove the risk of saccharin from the market, you will invite the risks of diabetes, obesity and dental problems. The problem is that you can't prove that. There is no statistic—no test that can attribute a certain percentage of health problems to a certain percentage of food properties.

One reason is because the biological mechanisms of individuals vary. Person X may be more susceptible to disease than person Y. But person Y may be exposed to more chemicals or to a more dangerous mixture of chemicals than person X. How could a safety margin be determined? Setting a uniform "boundary line" would be an impossibility. At best, science can help people understand the trade-off between risks.

Besides safety questions there are economic considerations. Would customers be willing to pay for the required changes? Would people be willing to pay an additional 10, 20, 30 or 80 cents for a product just because it has been through extensive research?

Obviously, the new laws will have to consider things like the availability of an alternative and whether to allow consumers to decide if they want to take a health risk. All administrations face the basic dilemma of deciding what is government's proper role.

"We can't legislate what people want to eat". . .

As one staff-member of the Senate Committee on Agriculture said, "We can't legislate what people want to eat. People want their freedom of choice. There is a fine line between being the public watch-dog and over-regulation. A good example is saccharin. The consumer wanted it."

In the case of saccharin the debates were so heated that Congress stepped in and passed a moratorium; the expiration date is now extended to August 1983. It will be interesting to see how the food safety hearings scheduled for June will affect the future of saccharin.

Of the regulatory agencies, the Food and Drug Administration (FDA) has the largest role and a budget of many millions. Its duty is to maintain the public confidence in the food supply, but the mood and extent of regulation exercised by the FDA varies with the philosphy of the administration in power. Each term the president appoints a new set of top administrators, which makes a consistent agenda with set priorities non-existent. In fact, since Reagan has been in office, the FDA staff has been trimmed by 600 people. FDA's own statistics show that, under Reagan, the agency has carried out 40 percent fewer enforcement actions against contaminated or misbranded food products than it did during the Carter years.

This hasn't stopped groups like the National Food Processors Association (NFPA) from identifying legislative reform of the food safety provision of the Food, Drug and Cosmetic Act as its top concern for 1983.

There may be legislative support for reform. . .

There may be some legislative support for food safety reform. In the 97th session of Congress food safety reform began to make some progress. Rep. Albert Gore, Jr., (D-TN), and Senator Orrin Hatch, (R-UT), both introduced food safety bills. Although the Senate Labor and Human Resource Committee (one of four congressional committees with jurisdiction over food safety) released a working draft of a bill, hearings were never held. The 98th session of Congress might have a different record.

NFPA Vice President of Public Affairs Dick Murphy told the *NRA News* that "NFPA expects Senator Orrin Hatch to introduce hearings in the Senate Labor and Human Resources Committee some time this year. To be realistic though, this administration is bogged down with broader economic concerns. Social Security, tax policies, and the budget have priority over food safety for the moment."

A staff member from Senator Hatch's office confirmed Murphy's impression. "We are planning to hold hearings sometime this spring," he said. Senator Edward Kennedy (D-MA) is also interested in holding hearings on food safety because, in his words, "It does no good to have a law which Congress overrules each time its provisions are involved. If current regulatory statutes do not permit issues to be resolved easily, then those statutes should be reexamined." Although Kennedy and Hatch reportedly differ on some specific points of food safety reform, their staffs are trying to work out a compromise so that a co-sponsored bill could be introduced on the Senate floor.

Last September, a White House working group, chaired by Assistant Secretary of Agriculture C. W. McMillian, presented suggested changes to the nation's food safety laws before the Cabinet Council on Human Resources. The purpose of these recommendations was to form a basis for discussion for groups with differing viewpoints. Although the council decided that its only function was to referee arguments between the FDA and the U.S. Department of Agriculture (USDA), it seems clear that sooner or later reform of the food safety laws is inevitable.

One of the more controversial issues regarding food safety that the working group addressed was the Delaney Clause. The Delaney Clause, a section of the 1958 Food Additives Amendment Act, prohibits any food additive, in any amount, to be on the market if it is found to cause cancer. The Delaney Clause offers a zero-risk standard. Is the Delaney Clause still reasonable? Consumer groups say yes, but some industry groups say no.

Is the Delaney Clause still reasonable? . . .

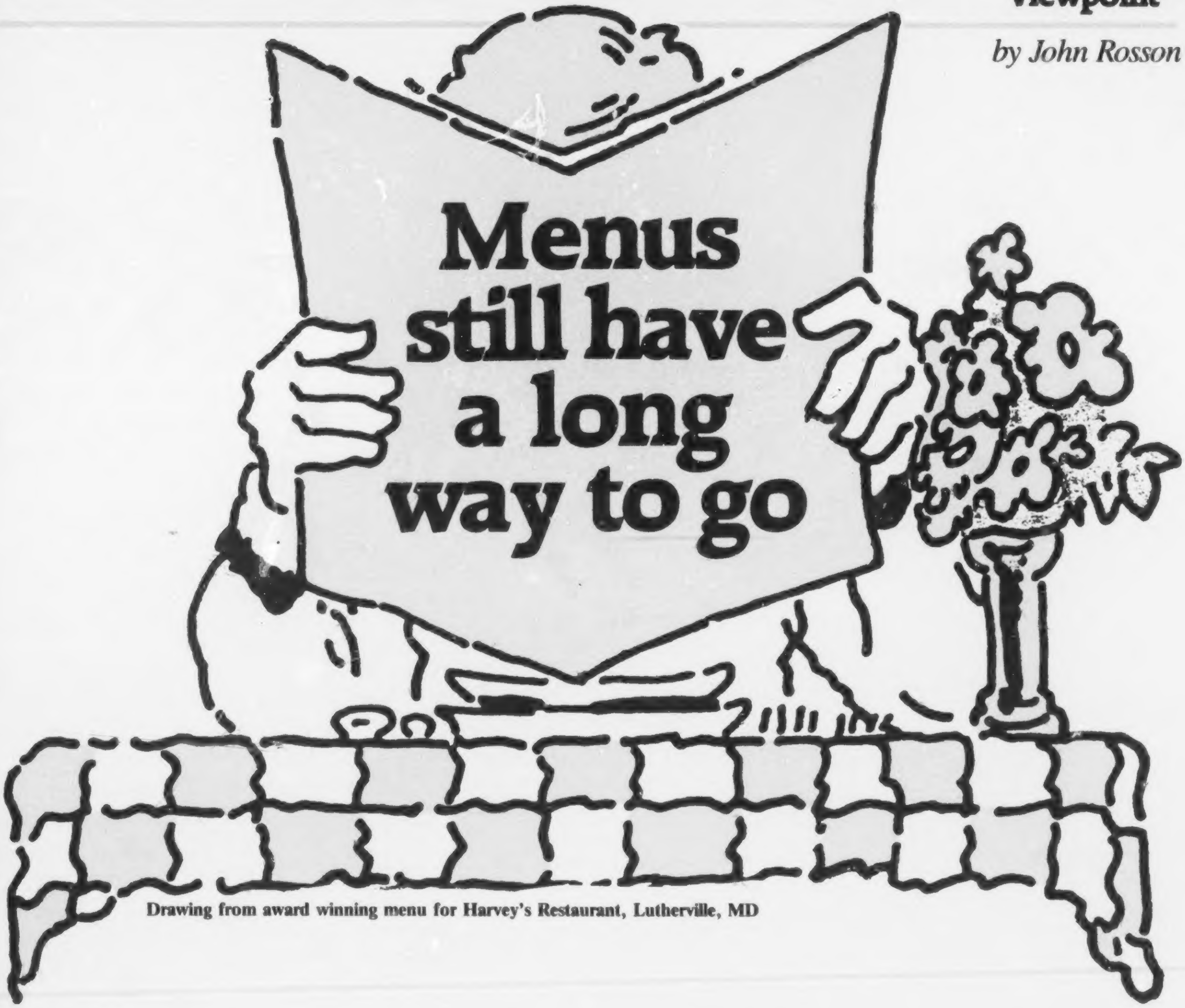
Industry disagrees with the consumer groups no-change policy. They feel that the Delaney Clause was appropriate in the 1950s when it was written, but that it is out-dated for the 1980s. The level of carcinogen detection in the 1950's was equal to about one part per million. Today, scientists have surpassed the one part per billion and are working towards the level of detection of one part per trillion. The exactness of this measurement is beyond imagination. One congressional staffer offered the following analogy, "Does a drop of vermouth in a swimming pool make it a martini?"

Industry groups are proposing risk assessment techniques to change the present laws. It's no secret that, in the minds of many, the key to rewriting our food safety legislation hinges upon the refinement of this technique. ❑

Viewpoint

by John Rosson

Menus still have a long way to go



Drawing from award winning menu for Harvey's Restaurant, Lutherville, MD

John Rosson, restaurant critic for the *Washington Times* takes a close look at the menus which competed in NRA's 1983 Great Menu Contest. The demands he puts upon a menu may be more exacting than those of most guests, but his praises and criticisms are food for thought.

Menus as a tool for selling a restaurant's product—namely, the work of its chef—have improved considerably in the past few years, as some of the winning entries in the National Restaurant Association's 20th annual Great Menu Awards Contest demonstrate. But menus still have a long way to go.

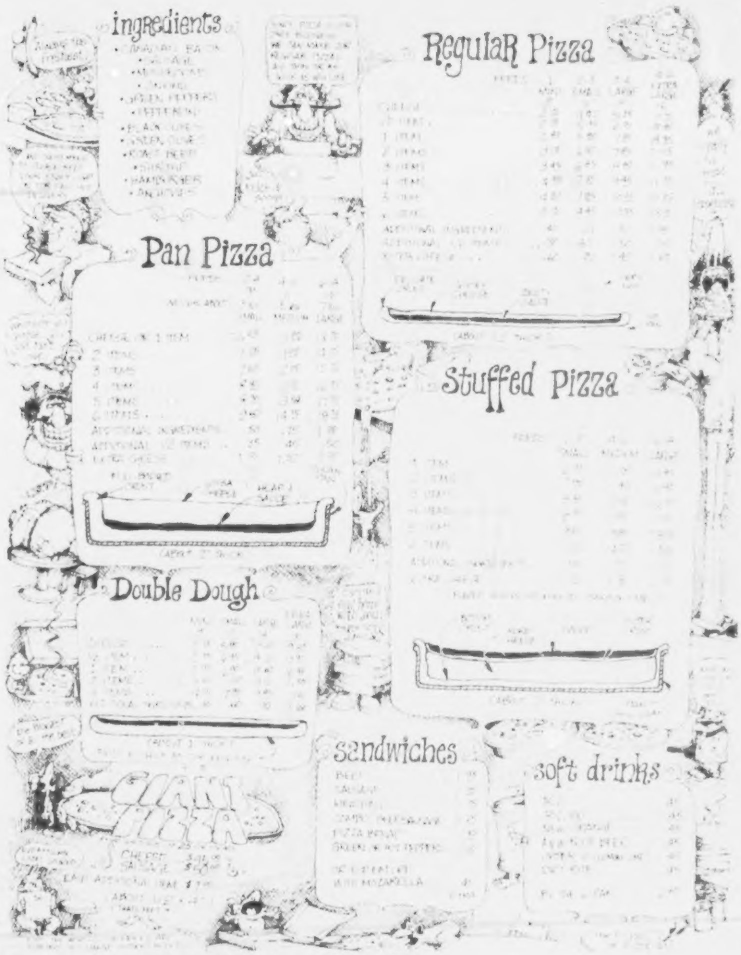
The fact is, most restaurants in this country—and among them I include the sophisticated foreign variety—continue to pump out menus that wouldn't sell a bagel in New York or a steak in Texas.

A menu must sell food...

To my way of thinking, a menu must do just one thing: Sell food. To do that, the guest should (1) be able to read it in reasonably good order and (2) understand what it says. And those two things he should be able to do quickly and easily. If he cannot, he likely will struggle through the meal, but he will not come back.

To put it another way, the restaurateur should make it as easy as possible for the diner to find out what the kitchen is offering—and at what price. In importance, the menu's other attributes pale by comparison. It can establish and carry out a brilliantly conceived theme, it can be color coordinated, it can be printed on expensive paper and it can be perfumed with rose water. But if it overwhelms, puzzles and finally infuriates the guest because it poses more questions than it answers, or because it puts him down, it's a lousy menu. I will go even further: I would much prefer the battered—even soiled—menu that told me what I wanted to know in simple and direct fashion, to the spotless one that led me down a blind culinary alley.

Many of my complaints about menus are rooted in practices which


Ingredients

Regular Pizza

Pan Pizza

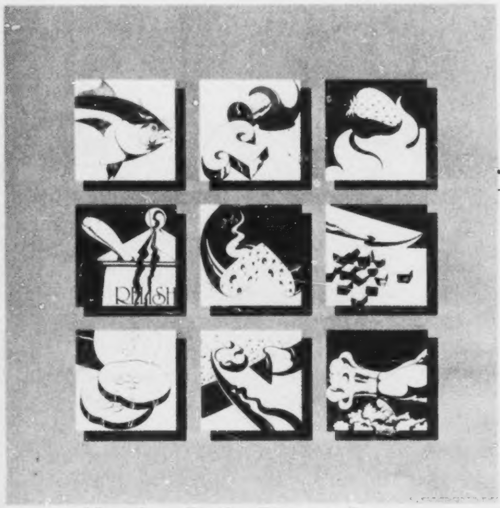
Stuffed Pizza

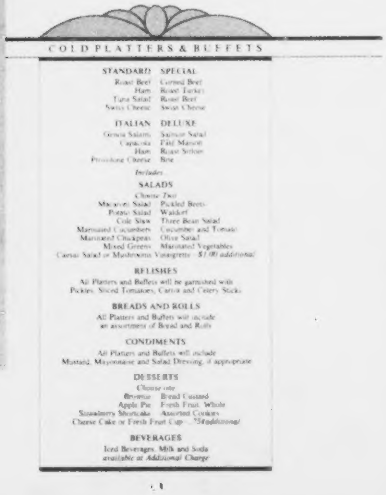
Double Dough

sandwiches

soft drinks

Menu from Uncle Pete's Pizza Shop, Addison, IL




COLD PLATTERS & BUFFETS

STANDARD	SPECIAL
Roast Beef	Corned Beef
Ham	Roast Turkey
Tuna Salad	Roast Beef
Swiss Cheese	Swiss Cheese

ITALIAN	DELUXE
Genoa Salami	Salmon Salad
Capacola	Pâté Maison
Ham	Roast Sirloin
Provolone Cheese	Brie

Includes

SALADS

Choose Two

Macaroni Salad	Pickled Beets
Potato Salad	Waldorf
Cole Slaw	Three Bean Salad
Marinated Cucumbers	Cucumber and Tomato
Marinated Chickpeas	Olive Salad
Mixed Greens	Marinated Vegetables

Caesar Salad or Mushrooms Vinaigrette—*$1.00 additional*

RELISHES

All Platters and Buffets will be garnished with Pickles, Sliced Tomatoes, Carrot and Celery Sticks

BREADS AND ROLLS

All Platters and Buffets will include an assortment of Bread and Rolls

CONDIMENTS

All Platters and Buffets will include Mustard, Mayonnaise and Salad Dressing, if appropriate

DESSERTS

Choose one

Brownie	Bread Custard
Apple Pie	Fresh Fruit, Whole
Strawberry Shortcake	Assorted Cookies

Cheese Cake or Fresh Fruit Cup—.75*¢ additional*

BEVERAGES

Iced Beverages, Milk and Soda *available at Additional Charge*

Menu from Creative Gourmets, Inc, Boston MA

you would think restaurateurs had abandoned years ago. Believe it or not, a meat can still be dressed with "the chef's special sauce" and a pie turned out by way of a "secret family recipe handed down from generation to generation." These descriptions are phony as well as insulting—and if they aren't phony, they are terrible teases. Certainly such dishes would amount to gambles on the part of the guest who ordered them.

Don't say too much or too little. . .

But other menu faults are of more recent vintage. One is the overloader. Not only does this menu tell the diner the name of the dish, but its history—all the way back to the Creation, in 100 words or more. And for every item listed.

The overloader's opposite is the underloader. This is the menu that doesn't tell the diner anything—not even a dish's main ingredient. One offering might be called "The Cherokee Trail" and another "The Ocean Blue." The first might involve beef and the other fish, but they could just as easily be a Mexican platter and a plate of tempura seaweed.

Some restaurateurs say they like those kinds of menus because they stimulate conversation between guest and employee. Perhaps they do. But when they give rise to inquiries the staff can't answer, or isn't interested in answering, the restaurant's image plummets.

Ideally, the best menu lies somewhere in between the overloader and the underloader. I do not have to know that a steak came from a black Angus steer bred in Florida, but I do want to know that the "Beeforame" entree involves a porterhouse and not a hamburger. Nor do I have to know the syllable-by-syllable translation of *la salade tiede de nouilles aux fruits de mer et pistou*. But in what kind of mood is the restaurant going to leave me if it informs me only that it's pasta dressed with seafood? The menu should tell me it's a room-temperature salad composed of noodles, dressed with lump crab and flavored with basil and garlic. Explanations such as those are neither books nor condescending abbreviations; they are the sort a guest is due, as well as of a length that won't drive him to distraction.

Too many menus I see, including some I helped evaluate at the association's recent competition, are as readable—and therefore as welcome—as a detailed road map with no route numbers: Much too much information squeezed into too little space with no meaningful signs of direction. The diner can't possibly decide where to begin reading, much less how to make choices.

Good organization is critical. . .

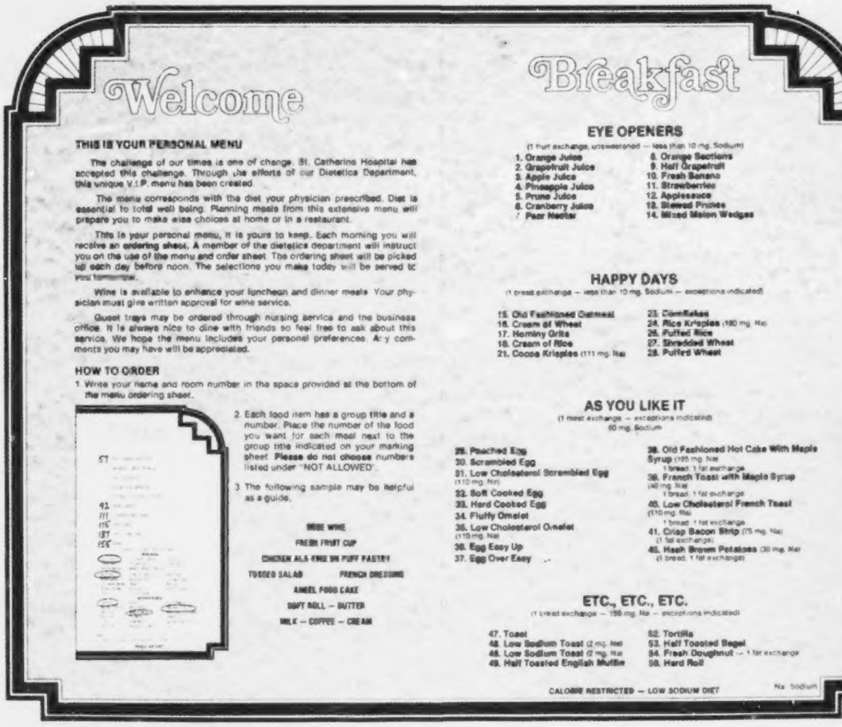
The answer is good organization. I remember in particular a menu submitted by Uncle Pete's Pizza Shop of Addison, IL, hardly the sort of place that can spend a lot of money on menu production. But it took first place in menu design. There must have been 60 items listed on that 8 × 10 bill of fare, but they were so well categorized that they were amazingly easy to read and compare.

Although considerably more expensive, Swensen's menus also proved to be good examples of multi-item listings made marvelously easy to read due to careful grouping of courses and grouping within courses.

Similarly, it takes no more than a glimpse of Le Centre Sheraton's Le Boulevard menu to see the merits of menu simplicity—an outstanding job, and it's in five languages. It's fun—almost a lesson in linguistics.

Such simplicity entices the diner, a point not lost, obviously, on the powers that be at St. Catherine Hospital of East Chicago. Undoubtedly the business of enticing hospital patients to eat their food—indeed, to get them to order food at all—is a double challenge. The orderly St. Catherine's menu is superb. The same sort of savvy is evident among other award-winning entries, especially in the case of Affair, the banquet/catering menu by Creative Gourmets Ltd. of Boston. ❑

Editor's Note: *Mr. Rosson was one of the judges in this year's Great Menu Contest. The other judges were: Carleton Jones, restaurant reviewer,* Baltimore Sun; *Sylvia Riggs, Washington/East Coast editor,* Restaurants and Institutions; *James Moffa, Miller Resource Group; Maurice Minno, Management Design and Resources, Inc.; John Gruner, John Gruner Solutions and Frank Bader, Oswalt Menu Company.*



Welcome

THIS IS YOUR PERSONAL MENU

The challenge of our times is one of change. St. Catherine Hospital has accepted this challenge. Through the efforts of our Dietetics Department, this unique V.I.P. menu has been created.

The menu corresponds with the diet your physician prescribed. Diet is essential to total well being. Planning meals from this extensive menu will prepare you to make wise choices at home or in a restaurant.

This is your personal menu, it is yours to keep. Each morning you will receive an ordering sheet. A member of the dietetics department will instruct you on the use of the menu and order sheet. The ordering sheet will be picked up each day before noon. The selections you make today will be served to you tomorrow.

Wine is available to enhance your luncheon and dinner meals. Your physician must give written approval for wine service.

Guest trays may be ordered through nursing service and the business office. It is always nice to dine with friends so feel free to ask about this service. We hope the menu includes your personal preferences. Any comments you may have will be appreciated.

HOW TO ORDER

1. Write your name and room number in the space provided at the bottom of the menu ordering sheet.
2. Each food item has a group title and a number. Place the number of the food you want for each meal next to the group title indicated on your marking sheet. Please do not choose numbers listed under "NOT ALLOWED".
3. The following sample may be helpful as a guide.

ROSE WINE

FRESH FRUIT CUP

CHICKEN ALA KING IN PUFF PASTRY

TOSSED SALAD FRENCH DRESSING

ANGEL FOOD CAKE

SOFT ROLL — BUTTER

MILK — COFFEE — CREAM

Breakfast

EYE OPENERS

(1 fruit exchange, unsweetened — less than 10 mg. Sodium)

1. Orange Juice
2. Grapefruit Juice
3. Apple Juice
4. Pineapple Juice
5. Prune Juice
6. Cranberry Juice
7. Pear Nectar
8. Orange Sections
9. Half Grapefruit
10. Fresh Banana
11. Strawberries
12. Applesauce
13. Stewed Prunes
14. Mixed Melon Wedges

HAPPY DAYS

(1 bread exchange — less than 10 mg. Sodium — exceptions indicated)

15. Old Fashioned Oatmeal
16. Cream of Wheat
17. Hominy Grits
18. Cream of Rice
21. Cocoa Krispies (111 mg. Na)
23. Cornflakes
24. Rice Krispies (180 mg. Na)
26. Puffed Rice
27. Shredded Wheat
28. Puffed Wheat

AS YOU LIKE IT

(1 meat exchange — exceptions indicated)

60 mg. Sodium

29. Poached Egg
30. Scrambled Egg
31. Low Cholesterol Scrambled Egg (110 mg. Na)
32. Soft Cooked Egg
33. Hard Cooked Egg
34. Fluffy Omelet
35. Low Cholesterol Omelet (110 mg. Na)
36. Egg Easy Up
37. Egg Over Easy
38. Old Fashioned Hot Cake With Maple Syrup (195 mg. Na)
    1 bread, 1 fat exchange
39. French Toast with Maple Syrup (40 mg. Na)
    1 bread, 1 fat exchange
40. Low Cholesterol French Toast (110 mg. Na)
    1 bread, 1 fat exchange
41. Crisp Bacon Strip (75 mg. Na) (1 fat exchange)
45. Hash Brown Potatoes (30 mg. Na) (1 bread, 1 fat exchange)

ETC., ETC., ETC.

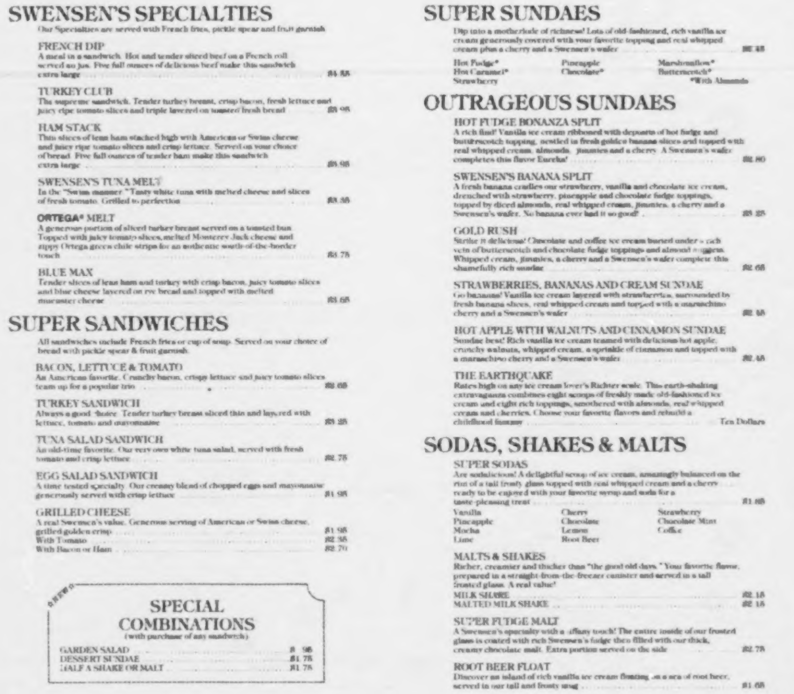
(1 bread exchange — 150 mg. Na — exceptions indicated)

47. Toast
48. Low Sodium Toast (2 mg. Na)
48. Low Sodium Toast (2 mg. Na)
49. Half Toasted English Muffin
52. Tortilla
53. Half Toasted Bagel
54. Fresh Doughnut — 1 fat exchange
56. Hard Roll

CALORIE RESTRICTED — LOW SODIUM DIET

Na Sodium

Menu from St. Catherine Hospital, East Chicago, IN



SWENSEN'S SPECIALTIES

Our Specialties are served with French fries, pickle spear and fruit garnish

FRENCH DIP
A meal in a sandwich. Hot and tender sliced beef on a French roll served au jus. Five full ounces of delicious beef make this sandwich extra large $4.85

TURKEY CLUB
The supreme sandwich. Tender turkey breast, crisp bacon, fresh lettuce and juicy ripe tomato slices and triple layered on toasted fresh bread $3.95

HAM STACK
Thin slices of lean ham stacked high with American or Swiss cheese and juicy ripe tomato slices and crisp lettuce. Served on your choice of bread. Five full ounces of tender ham make this sandwich extra large $3.95

SWENSEN'S TUNA MELT
In the "Swiss manner." Tasty white tuna with melted cheese and slices of fresh tomato. Grilled to perfection $3.35

ORTEGA® MELT
A generous portion of sliced turkey breast served on a toasted bun. Topped with juicy tomato slices, melted Monterey Jack cheese and zippy Ortega green chile strips for an authentic south-of-the-border touch $3.75

BLUE MAX
Tender slices of lean ham and turkey with crisp bacon, juicy tomato slices and blue cheese layered on rye bread and topped with melted muenster cheese $3.65

SUPER SANDWICHES

All sandwiches include French fries or cup of soup. Served on your choice of bread with pickle spear & fruit garnish.

BACON, LETTUCE & TOMATO
An American favorite. Crunchy bacon, crispy lettuce and juicy tomato slices team up for a popular trio $2.65

TURKEY SANDWICH
Always a good choice. Tender turkey breast sliced thin and layered with lettuce, tomato and mayonnaise $3.25

TUNA SALAD SANDWICH
An old-time favorite. Our very own white tuna salad, served with fresh tomato and crisp lettuce $2.75

EGG SALAD SANDWICH
A time tested specialty. Our creamy blend of chopped eggs and mayonnaise generously served with crisp lettuce $1.95

GRILLED CHEESE
A real Swensen's value. Generous serving of American or Swiss cheese, grilled golden crisp $1.95
With Tomato $2.35
With Bacon or Ham $2.70

SPECIAL COMBINATIONS
(with purchase of any sandwich)
GARDEN SALAD .... $ .95
DESSERT SUNDAE $1.75
HALF A SHAKE OR MALT $1.75

SUPER SUNDAES

Dip into a motherlode of richness! Lots of old-fashioned, rich vanilla ice cream generously covered with your favorite topping and real whipped cream plus a cherry and a Swensen's wafer $2.45

Hot Fudge* Pineapple Marshmallow*
Hot Caramel* Chocolate* Butterscotch*
Strawberry
*With Almonds

OUTRAGEOUS SUNDAES

HOT FUDGE BONANZA SPLIT
A rich find! Vanilla ice cream ribboned with deposits of hot fudge and butterscotch topping, nestled in fresh golden banana slices and topped with real whipped cream, almonds, jimmies and a cherry. A Swensen's wafer completes this flavor Eureka! $2.80

SWENSEN'S BANANA SPLIT
A fresh banana cradles our strawberry, vanilla and chocolate ice cream, drenched with strawberry, pineapple and chocolate fudge toppings, topped by diced almonds, real whipped cream, jimmies, a cherry and a Swensen's wafer. No banana ever had it so good! $3.25

GOLD RUSH
Strike it delicious! Chocolate and coffee ice cream buried under a rich vein of butterscotch and chocolate fudge toppings and almond nuggets. Whipped cream, jimmies, a cherry and a Swensen's wafer complete this shamefully rich sundae $2.65

STRAWBERRIES, BANANAS AND CREAM SUNDAE
Go bananas! Vanilla ice cream layered with strawberries, surrounded by fresh banana slices, real whipped cream and topped with a maraschino cherry and a Swensen's wafer $2.55

HOT APPLE WITH WALNUTS AND CINNAMON SUNDAE
Sundae best! Rich vanilla ice cream teamed with delicious hot apple, crunchy walnuts, whipped cream, a sprinkle of cinnamon and topped with a maraschino cherry and a Swensen's wafer $2.45

THE EARTHQUAKE
Rates high on any ice cream lover's Richter scale. This earth-shaking extravaganza combines eight scoops of freshly made old-fashioned ice cream and eight rich toppings, smothered with almonds, real whipped cream and cherries. Choose your favorite flavors and rebuild a childhood fantasy .... Ten Dollars

SODAS, SHAKES & MALTS

SUPER SODAS
Are sodalicious! A delightful scoop of ice cream, amazingly balanced on the rim of a tall frosty glass topped with real whipped cream and a cherry ready to be enjoyed with your favorite syrup and soda for a taste-pleasing treat $1.65

Vanilla Cherry Strawberry
Pineapple Chocolate Chocolate Mint
Mocha Lemon Coffee
Lime Root Beer

MALTS & SHAKES
Richer, creamier and thicker than "the good old days." Your favorite flavor, prepared in a straight-from-the-freezer canister and served in a tall frosted glass. A real value!
MILK SHAKE $2.15
MALTED MILK SHAKE $2.15

SUPER FUDGE MALT
A Swensen's specialty with a tiffany touch! The entire inside of our frosted glass is coated with rich Swensen's fudge then filled with our thick, creamy chocolate malt. Extra portion served on the side $2.75

ROOT BEER FLOAT
Discover an island of rich vanilla ice cream floating on a sea of root beer, served in our tall and frosty mug $1.65

Menu insert from Swensen's, Phoenix, AR

The 1983 Award Winners

Great Menu Contest

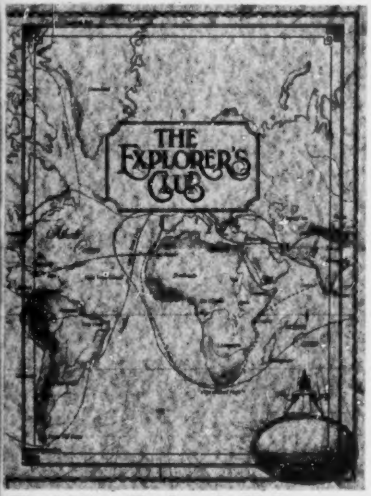
Grand Winners

T.G.I. FRIDAY'S
CULINARY
IMPRESSIONS

First Place: **T.G.I. Friday's**
P.O. Box 400329
Dallas, TX 75248

RADISSON SPIRITS

Second Place: **Radisson Spirits**
Radisson Hotel Corporation
12805 State Highway 55
Minneapolis. MN 55441



Third Place: **Explorer's Club**
PGA Sheraton Resort
400 Avenue of the Champions
Palm Beach Gardens, FL 33410

Winning menus will be displayed at the 64th Annual NRA Restaurant, Hotel-Motel Show in Chicago's McCormick Place, May 21-25, 1983.

Restaurant: under $3 per person

First Place:
Swensen's Ice Cream Co.
2408 E. Arizona
Biltmore Center
Phoenix, AR 85016

Second Place:
Grand Canyon Squire Inn
Best Western
P.O. Box 130
Grand Canyon, AZ 86023

Third Place:
Park Place Lounge
Sheraton Promenade Restaurant
200 Genesee Street
Utica, NY 13502

Restaurant: $3-$10 per person

First Place:
Harvey's Restaurant
2360 W. Joppa at Falls Road
Lutherville, MD 21093

Second Place:
Monterey House, Inc.
3310 South Richey
Houston, TX 77017

Third Place:
Carlos Murphy's
9330 Balboa Avenue
San Diego, CA 92112

Restaurant: over $10 per person

First Place:
La Cota 880
Caracas Hilton International
Apto. 6380
Caracas 101, Venezuela

Second Place:
Henry's Off Broadway
The Butcher Restaurant,
1705 E. Olive Way
Seattle, WA 98102

Third Place:
Cafe de la Marine Suisse
Hilton International Basel
Aeschengraben 31
Basel, Switzerland

Institutional Feeder

First Place:
Union Club
University of Arizona
SUPO 10,000
Tucson, AZ 85720

Second Place:
St. Catherine Hospital
4123 Fir Street
East Chicago, IN 46312

Third Place:
York Hospital
1001 S. George Street
York, PA 17405

Specialty

First Place:
Jesse's Restaurant
(specialty drinks menu)
P.O. Box 665
Hanover, NH 03755

Second Place:
Brock Hotel Corporation
(children's menu)
4441 W. Airport Freeway
Irving, TX 75062

Third Place:
The Pirate's House
(wine menu)
20 East Broad Street
Savannah, GA 31401

Banquet/Catering

First Place:
Creative Gourmets, Ltd.
One Beacon Street
Boston, MA 02108

Second Place:
PGA Sheraton Resort
400 Avenue of the Champions
Palm Beach Gardens, FL 33410

Third Place:
Sheraton-Brandywine Inn
4727 Concord Pike
Wilmington, DE 19803

Most Imaginative

First Place:
Le Centre Sheraton
1201 Dorchester Boulevard
Montreal, Quebec
Canada A3G 1U7

Second Place:
Nipper's
1280 Coast Village Road
Santa Barbara, CA 93108

Third Place:
Gallery Restaurant
Hilton International Melbourne
P.O. Box 103 East Melbourne
Victoria, Australia 3002

Greatest Merchandising Power

First Place:
Swensen's Ice Cream Co.
2408 E. Arizona
Biltmore Center
Phoenix, AZ 85016

Second Place:
Dave's Steak House
Allen & O'Hara, Inc.
3385 Airways Boulevard
Memphis, TN 38116

Third Place:
Holiday Inn (Tampa)
Allen & O'Hara, Inc.
3385 Airways Boulevard
Memphis, TN 38116

Best Design

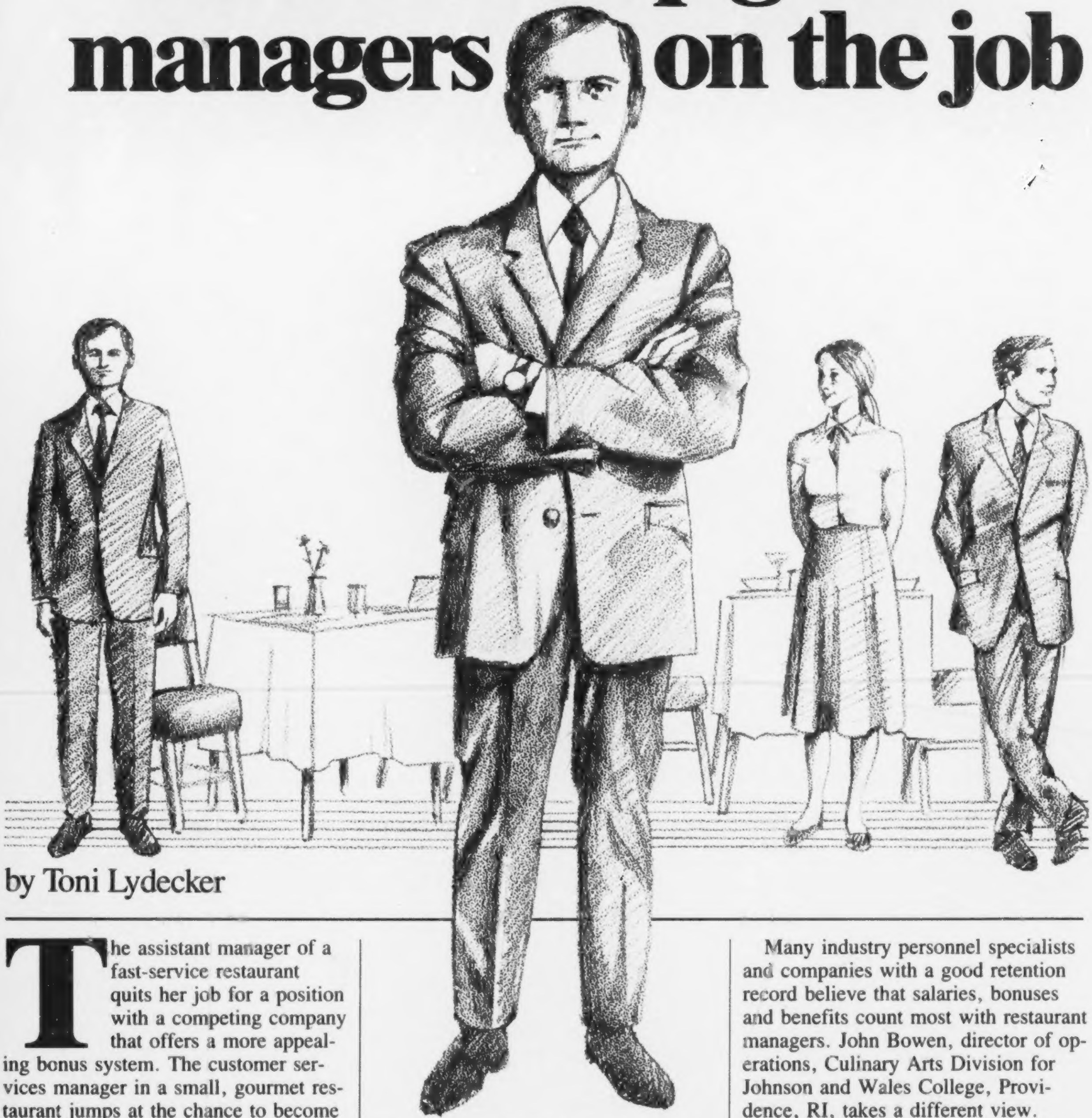
First Place:
Uncle Pete's Pizza Shop
G.R. Sinagra Corp.
688 N. Mill Road
Addison, IL 60101

Second Place:
Joh[illegible]s
240 [illegible]neaut Lake Road
Meadville, PA 16335

Third Place:
Swensen's Ice Cream Co.
2408 E. Arizona Biltmore Center
Phoenix, AZ 85016

How to keep good managers on the job

by Toni Lydecker



The assistant manager of a fast-service restaurant quits her job for a position with a competing company that offers a more appealing bonus system. The customer services manager in a small, gourmet restaurant jumps at the chance to become general manager of a popular family restaurant. Exhausted by long hours and stress, the food and beverage director of a large hotel resigns for a job in an unrelated industry.

The circumstances differ, but these cases have something in common: All create a managerial vacancy that costs time and money to fill. Such turnover translates into termination pay for the departing manager, recruitment and training expenses for the replacement and extra record keeping. Other costs don't carry a dollar sign—the confusing period of transition to a new manager or the lowered morale among hourly employees when management shifts are frequent—but they still show up eventually on the balance sheet.

Undeniably, it is in the interest of a restaurant not only to keep productive managers on the job but also to motivate them to perform a little better each year. The question is—*how?*

Many industry personnel specialists and companies with a good retention record believe that salaries, bonuses and benefits count most with restaurant managers. John Bowen, director of operations, Culinary Arts Division for Johnson and Wales College, Providence, RI, takes a different view. ‘Care’ is a four-letter word that is far more important than anything a company can do financially,'' he says. In other words, managers are influenced by the management style of a company: how much authority they are given, how decisions are reached, how problems are solved, how strenuous the work schedule is. Promotions, awards and opportunities for further skills development can also spell the difference between a happy, produc-

tive manager and one who is beginning to look for a new job.

Salaries and bonuses: the right mix. . .

Most industry experts agree that managers should be rewarded with a bonus that reflects the degree to which they control profit and loss, but they add that managers also need the financial security of a base salary. There is little consensus on how to achieve the right balance between the two, however.

Kentucky Fried Chicken has found that paying managers a slightly higher salary than that offered by its direct competitors has improved its retention rate and ability to hire the top talent. "I've never heard a case of one of our managers complaining about salary," says Rick Martin, a district manager.

Switching from a compensation system stressing bonuses to one featuring a higher salary and only modest bonus incentives, Pizza Hut learned that its managers preferred a stable income to one that fluctuated from month to month. For the same reason, some companies give bonuses that reward individual performance on a monthly basis rather than at longer intervals. Other companies prefer to give bonuses each quarter. Otherwise, they say, the bonus appears to be part of the salary, and managers feel they are entitled to a bonus regardless of performance.

Although they differ on how frequently they like to receive a bonus, most managers want bonuses to be based on clearly defined criteria. For example, a chef who comes in $100 below the budget for payroll and food costs would like to know that 10 percent of the money saved will go to him or her.

James Moffa, vice president of operations for the Chicago management consulting firm Miller Resource Group, recommends linking bonus programs for managers to those for their employees because such a system can motivate both groups to communicate better and work together more cooperatively. As a result of the mutual bonus system, a waiter is more likely to realize that neglecting customers may make overall sales suffer, and the manager may become more sensitive to the staff's difficulties in serving customers during a peak period.

Fringes are central. . .

A solid benefits package gives managers the peace of mind they need to concentrate fully on their work. During the past five years, many companies have improved their health care coverage and other benefits, and these fringes are especially attractive to older managers or those with families. A manager may even forego another company's offer of a fancier title or higher salary, knowing that the benefits will be weaker and that the current benefits either cannot be replaced privately or only at astronomical cost.

Robert Dankmyer, director of employee benefits for Marriott Corporation, thinks the company's managers like the flexibility of its benefits program. "They can choose what they want when they want it," he explains. For example, managers can carry over their generous allocation of vacation time from one year to the next, or they can apply the cash value of the annual leave to payment of their portion of health or life insurance. The excellent pension plan also encourages managers to continue their careers with Marriott. The employee who stays 25 years may find that the retirement income from this source, combined with Social Security, exceeds his or her income for the working years.

The opportunity to buy the company's stock at a reduced cost or share in its profits is not only an attractive benefit, but also gives the manager a stake in the success of the company.

Hours up, productivity down. . .

Dell Hargis, placement coordinator for the Culinary Institute of America in Hyde Park, NY, visits recent graduates at the restaurants where they are employed. Frequently, he finds that they log in more than 100 hours a week.

Marathon schedules of this kind are not uncommon in the restaurant business. "This industry expects a great deal of its managers, and many reach the point of burnout very quickly," laments Hargis.

It is safe to say that long hours and irregular schedules will never be eradicated. "In our business, when it's time to work, it's time to work," says Leonard Buonincontro, who runs LB and Associates, a management search company in Medinah, IL. The problem is especially acute in upscale restaurants, resorts, private clubs and large hotels. Managers who accept jobs in these prestigious establishments do not get a break for weeks during the peak season or when a convention pulls into town.

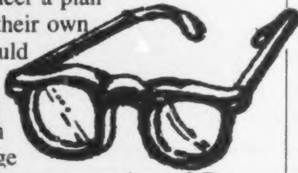
In other restaurants, the routine may permit more flexibility in scheduling. One fast-service restaurant allows managers to rotate weekend and night shifts on a preset schedule so they can plan leisure activities more easily. Broker Restaurants in Denver, CO, follows an even more liberal policy, letting managers set their own schedules and encouraging them to take a four-day trip out of town—preferably away from telephones—at least once a quarter. This small chain owns a condominium in the mountains to restore the energy and enthusiasm of its managerial staff.

MOTIVATING MANAGERS:

A checklist for restaurant owners and top managers

1 *Evaluate your salary and bonus structure.* How do salaries compare to those of similar companies? Are managers rewarded, at least in part, according to individual performance rather than overall productivity of the company? Would they prefer monthly or quarterly bonuses or a lump sum at the end of the year?

2 *See how your benefits program stacks up.* Do your life insurance, medical and pension plans compare favorably to those of related companies? Must managers buy into the whole package or can they help engineer a plan suited to their own needs? Could you add something extra, such as coverage for dental care or eyeglasses? Do you have a leave program that is sensitive to your employees' needs?



3 *Take a hard look at a typical workweek.* Are managers working so many hours that productivity drops and tempers begin to flare? Are schedules arranged well in advance so staff can take an occasional weekend off or get tickets to a special event? Do your managers take a minimum of four consecutive days off at least twice a year?

4 *Let your managers spread their wings a little.* Does the company contribute tuition or time off to encourage managers to enroll in job-related courses? Are managers urged to pursue professional interests such as attending a culinary show?

5 *Expect the best.* Do your managers take an active part in setting goals, solving problems, making decisions? Do you let go of a task once it is delegated or stand anxiously on the sidelines, rushing in if things don't seem to be going smoothly?

6 *Be honest and open.* Are you candid with managers about the company's plans and activities? For example, if a salary freeze were in the picture for the next year, would you tell them now or just before it took effect? Do you schedule regular meetings that include the entire hierarchy of managers, and if so, do you listen as well as talk?

7 *Allow for upward mobility.* Does your company follow a policy for promoting from within whenever possible, even though the manager may need additional training? Is an effort made to tailor a job to the strengths of the manager so he or she can succeed in the new job?

8 *Recognize achievements.* Do you express admiration when a manager does a job well? Have you considered organizing contests among managers or company divisions, honoring the winners at a special dinner and rewarding them with a free trip or other prize?

9 *Make the job fun.* Does the company sponsor special informal get-togethers for managers of all levels? Are families included at least occasionally? Is a management meeting scheduled out of town (perhaps at a resort) at least once a year?

Sensible scheduling is not just a favor to managers. In his seminars for the National Restaurant Association James Moffa emphasizes that managers need time off as well as blocks of uninterrupted work time to be productive and make good decisions. Ideally, a company should guarantee that managers work in operations only four days a week, using the fifth day for paperwork, hiring and administrative tasks. On the "administrative day," they should be relieved both of supervisory and customer contact duties. In small operations, a full day off may be impractical, but even there managers should have two or three-hour blocks of uninterrupted time for tasks that require concentrated effort.

Nurture individual development. . .

Good managers thrive when given a chance to express creativity and to develop skills. The responsibility of adding new menu items or selecting a company car model breaks the routine and may improve the managers' attitude markedly. Some other ideas: Offer managers the materials and equipment necessary to write a cookbook or an article for a trade magazine, pick up at least part of the tab for job-related courses, send the chefs to culinary shows or help them start a cooking show on local public television. Restaurants that encourage their managers to develop such extracurricular activities not only get happier, more skilled managers in return, but may reap community-relations benefits as well.

A small Texas company called 1776, Inc. brings in outside speakers each month to help its managers grow professionally and personally. Sample topics are "investment strategies for managers" and "how to improve your communications skills."

New challenges. . .

Amway Grand Plaza Hotel in Grand Rapids, MI, has lost only one of the 52 managers it hired upon opening two years ago. "We don't have any razzle-dazzle program," says David Wheelhouse, director of human resources. "Profiles of typical restaurant managers show they want responsibility early on and we give it to them." When mid-level managers develop programs that strive to reach the highest standards of service, the hotel's top executives do not interfere. Amway managers have regular sessions for reflection and planning, and even evaluation meetings are turned into goal-setting sessions.

Challenging managers does not mean setting arbitrary goals they may not be able to reach. James Moffa suggests asking managers to set bi-level goals: The first set are ones they think they can realistically achieve, and the second set are those they hope to meet.

A management style that encourages participatory decisionmaking will help motivate managers to work towards the goals once they are set. In addition to holding several meetings for general managers of its six restaurants each year, 1776, Inc. organizes periodic retreats for the four or five people on each restaurant's management team. At these retreats the managers identify problem areas—such as air conditioning and heating bills, sanitation and employee training practices—and brainstorm to find solutions.

Company loyalty helps. . .

Managers perform better when they possess a strong sense of commitment to their companies, but this feeling does not happen automatically. Companies that have earned unswerving loyalty from their managers are often characterized in the following ways: "We get genuine caring from the home office" or "Honesty starts at the top." This kind of restaurant believes in communicating with its workers. It does not give misleading information about the number of new restaurants scheduled to open, thereby giving the candidates for managerial openings the impression they can expect rapid advancement. It does explain company plans and policies for each management level, even when these are not within the direct scope of current responsibilities.

Cross training is one technique for encouraging a feeling of interdependence. A new manager at Amway Grand Plaza Hotel may spend a full day with the garbage collector or a weekend with a member of the executive committee to learn the full range of the hotel's activities; and the sous chef may work behind the front desk for a few days, to find out more about the clientele for which he or she cooks. This useful exposure to all facets of the hotel's operation builds a sense of camaraderie and sensitivity to one another's problems. Anyone who leaves or does not perform up to par feels he or she is letting the others down.

> **“Profiles of typical restaurant managers show they want responsibility early on. . . .”**

Reaching for the next rung. . .

Ambitious managers are often the most productive ones, but they will stick around only if opportunities for advancement are in view. Some companies have found ways to give their managers increased responsibility and compensation even in a slack economy. For example, one chain used to advance its productive restaurant managers to district managers after a few years. Because these slots do not open up as frequently as in the past, the company has created a new level of intermediate positions—senior managers, who continue to operate their restaurants, but also take on new responsibilities, such as handling all promotion for the district.

Another possibility is team management, which narrows the often enormous gap between the abilities, duties and earnings of a general manager and assistant manager. Part of the senior manager's job is to act as a mentor to the junior partner, who in time masters virtually all the top person's responsibilities. The system satisfies the junior manager's desire for new challenges without a full-fledged promotion, while reducing stress on the top manager. Under such a system, the senior manager might be paid a little less than a traditional general manager and the junior person a little more.

A few strokes don't hurt. . .

Some restaurant owners or general managers give away a few trips each year on a spur-of-the-moment basis to managers who have put in a particularly grueling month or whose profit margin is unexpectedly high. Others give away the trip or cash as the prize in a contest among managers or divisions in the company. One restaurant owner asked his managers to write down their projected profit margin during the next quarter. Then he told them the one who beat that goal by the greatest margin would win a trip for two to London.

The value of contests and awards depends to a large extent on personalities. "Some people have balanced egos and would rather have extra bucks than the recognition," says James Moffa. For others, being named "manager of the month" will create a glow that lasts for weeks and carries over into job performance.

If an awards program is initiated, it should be structured so that the same handful of managers do not win all the time. This situation could lower morale for the others.

Even more important than formal recognition is the positive reinforcement that comes from regular feedback. Negative feedback is just as essential when performance falls short, but criticism should always be offered in a constructive way, with suggestions for improvement.

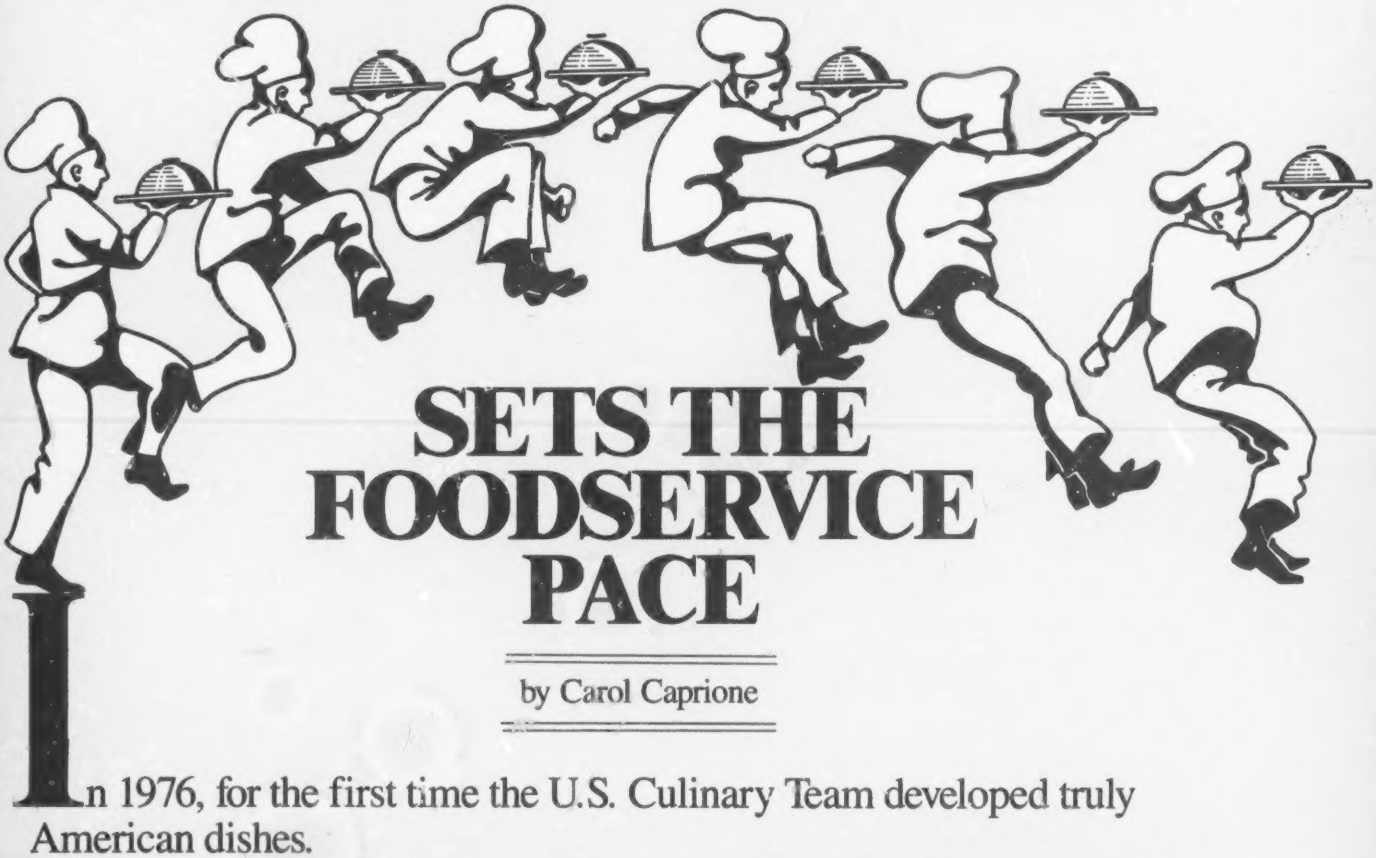
Freebies and fun. . .

Parties and sports events sponsored by the company may seem frivolous, but they can be excellent ways to reinforce goodwill among managers and staff and to keep managers feeling good about their jobs. "It's the crazy things that count," says Robert Orr, director of personnel and training for 1776, Inc. That company holds a variety of social functions, including the annual "margarita pour-off," a monthly "meet the president party" for new employees as well as the more traditional Fourth-of-July picnic and Halloween party. Company sports events are another way to bring together managers and their staffs and several restaurants have even formed teams.

Say good-bye with a smile. . .

A company that aspires to keep its managers forever is living in never-never land. It's inevitable that a percentage of managers will move on to a better job in another company or start their own restaurants. A company with a realistic outlook develops managers continually and bids farewell cordially to those who leave, for this kind of behavior will earn the restaurant a solid-gold reputation in the industry. ☐

THE INTERNATIONAL CULINARY COMPETITION SETS THE FOODSERVICE PACE



by Carol Caprione

In 1976, for the first time the U.S. Culinary Team developed truly American dishes.

In 1980, the American team perfected its concepts for a native cuisine, adding the additional element of economics, and walked away with more gold medals than any other nation.

What the 1984 International Culinary Competition will bring is still a mystery. But one thing is certain: Whatever happens in Frankfurt, Germany, in October 1984 will affect the foodservice industry. One need only look at the popularity of American cuisine in this country to realize how the earlier competitions have set the pace for what's happening in foodservice today.

he International Culinary Competition, often referred to as the "culinary olympics," creates foodservice trends, maintains Ferdinand Metz, president of the Culinary Institute of America and manager of the 1984 U.S. Culinary Team. "A competition like the Olympics has the tendency to bring good, solid people together in their field. And when they get together they excel and bring forth new ideas and creative presentations. If you go over and prepare something traditional, you get good points but you don't get excellent points."

"Food has become an art, a profession, a hobby, a career, and a business in the eyes of the American public."

Today, the American public no longer considers food merely a way to sustain the body. Food is also an art, a profession, a hobby, a career, a business. The International Culinary Competition—and certainly the spectacular American showing in 1980—has helped to nurture this growing interest and increased public participation in food.

The International Culinary Competition is responsible for many other contributions to the foodservice industry.

(continued on page 26)

Ryan **Eisenberger** **Erickson** **Schneider** **Bosiger** **Johansson**

A look at the 1984 American Culinary team

In October 1984 there will be a very special event for chefs held in Frankfurt—the International Culinary Competition. NRA is co-sponsoring this event with the American Culinary Federation.

This will not be the first time around for the American team. Our first entry was in 1956. By 1980, the team achieved spectacular success. Thirty-one gold medals, two silver medals and a special gold medallion for the highest possible score on a single entry were awarded to the 1980 U.S. team members—more honors than any other nation received.

To become a member of the U.S. Culinary Team, it takes quite a bit more than just walking into headquarters and signing up. Two years before the event takes place, chefs certified by the American Culinary Federation compete in one of three regional tryouts. In these tryouts the contestants compete in both cold food display and hot food preparation. Only those chefs who receive high scores in the cold food category are allowed to enter the hot food competition.

In the hot food competition each candidate is assigned a kitchen, given a box of randomly selected food materials and told to prepare 15 three-course meals. Candidates are urged to "create the greatest effect with the simplest means" and are scored on composition, preparation, presentation and degree of difficulty. Only the highest scoring chefs in the hot food competition are eligible for consideration to be on the U.S. Culinary Team. Finely-polished culinary skills must be combined with an orderly and efficient work area, the ability to function under pressure and the ability to make last-minute decisions. All of these traits are carefully considered when selecting the U.S. Culinary Team because they can mean the difference between success and failure in Frankfurt.

Team members are assigned to the national team or a regional team. Usually the national team consists of a team captain and three team members. While all team members participate in Frankfurt, involvement in the hot food competition is the exclusive responsibility of the four-member national team. Regional team members serve as alternates for the national team in the hot food competition, participate in the preparation of cold food displays and can submit individual entries in other contests.

A look at those who made the team...

The national team

★ ***Lyde Buchtenkirch*** will make her second appearance at the International Culinary Competition. In 1980, as a member of the regional team, Chef Buchtenkirch held several distinctions: She was the first and only woman to obtain team status and she received a special gold medallion for her three foot-high bread sculpture entitled "American Bounty." Chef Buchtenkirch is an instructor at the insti-

meister

Buchtenkirch

Hugelier

Loibl

Heiland

Metz

tute. In addition to the honors conferred on her in 1980, Chef Buchtenkirch has won 15 first-place prizes at various culinary shows as well as a number of other prestigious awards.

★ **Daniel Hugelier** is also making his second appearance at the International Culinary Competition. As a member of the 1980 regional team, Chef Hugelier won a gold medal in the cold buffet category. Chef Hugelier currently serves as executive chef for the Detroit Athletic Club. Chef Hugelier won awards at the Pan American Olympics in New Orleans in 1978 and at the NRA Culinary Arts Salon in 1978. He is secretary of the Michigan Chefs de Cuisine Association.

★ **Lawrence Timothy Ryan** is participating in the International Culinary Competition for the first time as a national team member. Chef Ryan is an instructor at the Culinary Institute of America. He is also a member of the board of directors of the Chefs and Cooks Association of Pittsburgh and serves on the executive committee of the Mid-Hudson Chapter of the American Culinary Federation.

★ **Richard Schneider** will make his second appearance at the competition as captain of the 1984 national team. Chef Schneider won three gold medals at the 1980 competition. Schneider is chef de cuisine at the Silver Lake Inn, a family-owned operation in Clementon, NJ. He is also a member of the Delaware Valley Chefs Association, the *Confrerie de la Chaine des Rotisseurs* and the American Academy of Chefs.

The regional team

★ **Helmut Loibl** will make his fourth appearance at the International Culinary Competition in 1984. In 1980, Chef Loibl won a special gold medal for obtaining a perfect score for every one of his pastry displays. And in 1976 he received commendation for eight perfect scores. Loibl currently serves as a chef instructor for the Culinary Institute of America and is a member of the ACF Academy of Chefs.

★ **Gunther Heiland** will make his third appearance at the International Culinary Competition as a member of the 1984 regional team. In 1980, Heiland won a gold medal for his edible sculptures. He currently serves as executive pastry chef at the Bellevue Stratford Hotel in Philadelphia, PA.

★ **Marcus Bosiger** will make his second appearance at the International Culinary Competition as a member of the 1984 regional team. In 1980 Bosiger won a gold medal for his individual entry in the cold buffet category. He is executive chef for the Westin Galleria in Houston, TX.

★ **Mark Erickson** will make his second appearance at the 1984 International Culinary Competition. At the 1980 event, he was awarded a gold medal. Erickson is currently a sous chef at the Greenbrier in White Sulpher Springs, WV, where he also acts as instructor for the apprentice program.

★ **Siegfried Eisenberger** will make his first appearance at the 1984 International Culinary Competition. Eisenberger currently works as executive chef for the Opryland Hotel in Nashville, TN. He is a member of the professional Chefs Association of Tennessee and the *Confrerie de la Chaine des Rotisseurs*. In 1981 he was named Tennessee chef of the year.

★ **Victor Gielisse** will make his first appearance at the 1984 International Culinary Competition. Gielisse is executive chef at the Westin Hotel in Dallas, TX. He is a member of the *Confrerie de la Chaine des Rotisseurs* and the Texas Chefs Associaton and in 1979 and 1980 was named South African chef of the year.

★ **Raimond Hofmeister** will make his first appearance at the 1984 event. Hofmeister currently serves as executive chef for the Century Plaza in Los Angeles, CA. He is vice president of the Chefs de Cuisine Association of California and is a member of the *Confrerie de la Chaine des Rotisseurs* and the Epicurian Club of Los Angeles.

★ **Lars Johansson** will make his first appearance at the 1984 event. Johansson is department chairman and director of curriculum for the Bakery and Pastry Institute of Johnson and Wales College in Providence, RI. He has won awards in a number of trade shows, including the NRA Culinary Arts Salon in 1981.

The manager

★ **Ferdinand Metz** is the manager for the 1984 US Culinary Team. Metz was also team manager in 1980, team captain in 1976, individual entry in 1972 and team member in 1968. He is the president of the Culinary Institute of America and the American Culinary Federation.

(continued from page 24)

Increased prestige for chefs. . .

Everyone agrees that the success of the U.S. team has brought increased prestige to chefs in this country. The American public no longer envisions the chef as an invisible man stirring pots in the back of the house. Today, the chef is increasingly seen as the creative genius of the restaurant industry.

Helmut Loibl, instructor for the Culinary Institute of America and a regional team member for the 1984 contest, agrees that the position of chef is being elevated. "Twenty years ago, we had no master chefs. We had no certification. We were like common laborers. Now it is all changing."

Gale O'Malley, a regional team member of the 1980 competition and an individual entry participant in 1984, adds that "even high school students are trying it out to see if they would like it as a profession."

The International Culinary Competition plays an important role in the changing image within the foodservice industry as well as in the community at large. They provide a goal for young chefs to work toward.

Many of the 1980 and 1984 participants acknowledged that they entered the competition to find out exactly how good they were. Making it to the tournament was a long time goal for many and a professional challenge because of the learning opportunities that the competition provides. The chance to work side by side with top notch professionals in their field, to exchange ideas and to perfect their craftsmanship is the real reward of competing in the event.

Ferdinand Metz summed it up this way: "What some people don't understand are the intangible rewards such as being able to work with a group of highly dedicated and skilled individuals for nearly two years while preparing for the competition and being exposed to the great diversity of talent. This preparation is equivalent to three, four or five years of outside experience. What you learn from this give-and-take process is something that you just can't put a price tag on."

International recognition for American cuisine. . .

Chefs participating in the 1980 tournament feel great satisfaction in knowing that the rest of the world no longer looks upon America as a nation whose entire cuisine consists of pre-cooked foods and soft drinks. The U.S. team won gold medals for such dishes as turkey breast. Because the best is imitated, the rest of the world now looks to the United States for inspiration.

> **"We have proven that we can compete with the world and win . . ."**
>
> *—Klaus Friedenreich*

Klaus Friedenreich, a 1980 team member and an advisor for the 1984 team, is owner/chef of Klaus' Cuisine in Daytona Beach, FL. Friedenreich is very pleased about America's changing reputation. "Internationally, we are thought of more as chefs now. The international chefs have discovered that we have good schools in America and we produce good food. Now I call my menu international but soon I will call it American cuisine. We have proven that we can compete with the world and win and now we can prove also that we can serve this kind of food on an everyday basis, not just in a competition."

The winning recipes are a big consumer hit. . .

For eight straight days this past March, Larry Brudy, owner/chef of Lawrence's Restaurant in Pittsburgh, PA, reproduced the gold medal winning recipes from the 1976 International Culinary Competition and served them to his guests. "I thought this would be a hell of a promotion, and it was. It surpassed my greatest hopes. We offered the meals at what is usually a slow time for us, between 8 to 10 p.m. We're in the theater district of Pittsburgh and we get the before-show crowd, but 8 to 10 p.m. is a pretty slow period.

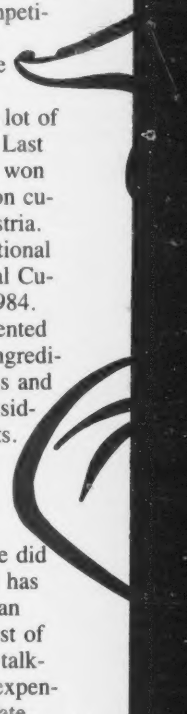
However, with this offering, we were booked every night. Business people brought back five or six other diners to try the foods. We had at least 10 repeat tables, and this is all within a week."

Roland Schaeffer, an experimental chef and an advisor for the 1984 team, says he used one of the 1980 recipes during an art festival to raise money for the Chefs Association of Pittsburgh's apprenticeship program. "We advertised Turkey Breast Oklahoma as the gold-medal winning dish of the 1980 competition. We sold over 5,000 portions of it, the people loved it and we raised a good deal of money."

What lies ahead. . .

The International Culinary Competition provides the incentive for chefs to stretch their creativity. "We could not do the things we do in local competitions. It's just not the same; the trauma is missing," offered Gale O'Malley.

The 1984 competition holds a lot of promise for the American team. Last March, the U.S. Culinary Team won the grand prize at the multi-nation culinary contest in Klagenfurt, Austria. This was the first of two international events preceding the International Culinary Competition in October 1984. As it did in 1980, the team presented American cuisine—indigenous ingredients with distinctive presentations and flavors. Team members also considered nutrition and cost constraints.



The continuation of a winning cuisine. . .

"If you can say today, like we did in 1980, that the American team has with American food and American dishes beaten the best that the rest of the world has to offer—and I'm talking about classic cuisines, with expensive ingredients and more elaborate, labor-intensive presentations, I think that sends out a very powerful message," concludes Metz. "If the chefs on the Culinary team get applause, everyone gets applauded. We are all in one boat in the restaurant industry." ❑

WHAT MAKES A GREAT COOK GREAT?

by Bryan Miller

Just as certain people have physical and tempermental characteristics that make them good marathon runners, or pianists or bar bouncers, others have what it takes to become superior cooks. These individuals are often described as possessing a "flair," a "sixth sense," a "magic touch"— something special that elevates any food they prepare, whether poached eggs or *poitrine de veau,* into a sublime experience.

What distinguishes these people from other well-intentioned cooks? Are certain individuals born with such talent or is it merely a matter of education? What exactly is the "right stuff" in the kitchen? Answers to these questions were sought recently from nearly two dozen respected chefs, cooking teachers and authors, and while responses were as varied as a Chinese menu, a strong consensus arose in certain areas.

The qualities of an exceptional cook are akin to those of a successful tightrope-walker: an abiding passion for the task, courage to go out on a limb and an impeccable sense of balance.

"If you don't have that love, and by that I mean appreciation and love for the ingredients, you are not going to do anything," said Leon Lianides, owner and creative force behind the Coach House restaurant in Manhattan. "It's like being a musician. You can teach anybody to play the piano, but there are those special few who really bring out the melody."

It's in the senses. . .

Lydie Pinoy Marshall, a cookbook author and cooking teacher in New York, described one of her former students as an example of a person with the makings of an extraordinary cook.

"She was someone who got visibly excited when she had food in front of her," Marshall recalled. "All of her senses, particularly taste and smell, were involved."

"I have seen many people who are not natural cooks but people who love to cook," Marshall continued. "They

"The qualities of an exceptional cook are akin to those of a successful tightrope walker: an abiding passion for the job and an impeccable sense of balance."

seem to intellectualize everything. They don't have that natural feeling that goes between the hands and the heart; theirs is between the hands and the brain."

Repeated references to the tactile side of cooking were one of the most striking coincidences during the interviews. Many remarked that the best cooks, like zealous shoppers in a bargain basement, can't keep their hands off the merchandise. They are forever fondling food, probing it, pushing it, pulling it.

A finger in every pot...

"One of the best students I ever had," said Peter Kump, who runs a Manhattan cooking school bearing his name, "was a fellow who stayed on after graduation as an assistant in other classes. His job was supposed to be cleaning dishes, but I just couldn't keep him away from the stove. He didn't care if dishes piled up to the ceiling and he had to stay an hour afterward to clean up. He wanted to put his fingers in every pot and taste everything. Flavors fascinated him." Marshall said that she judges students by counting how many times their fingers go into the pot while cooking. "It's amazing how many people can prepare an entire meal without ever tasting it," she said. "You can tell a lot by that."

Some professional chefs, including Alain Sailhac of Le Cirque, noted that there was something immediate and visceral about tasting foods with the finger as opposed to doing it with spoons or ladles. "You dip your finger," Sailhac explained, making a sweeping gesture with his own well-honed pointer, "and—ahhhhh!—you know right away whether you've got it or not. If you try to use a spoon or think about it too much, you get nothing."

Hands are important in another way. When it comes to kitchen chores, particularly baking, those who possess natural manual dexterity have a jump on those with a surfeit of thumbs. Most experts believe, however, that clumsiness can be overcome with training.

The hands tell a story...

"Developing your hands is very important," said the author and cooking teacher James Beard. "If you watch a good cook or a good chef, his hands almost tell you a story. I have one student in Oregon whose hands, for some reason, make the best bread I've ever known."

John Clancy, a long-experienced cooking teacher and owner of the New York restaurant carrying his name, said he always looks for graceful hands when he evaluates students or employees.

"You can tell by watching them do something as simple as folding a napkin or tearing a sheet of wax paper," Clancy said. "I once saw a young man screw a light bulb into a chandelier and thought to myself, he would make a fine pastry chef. He was a cleaning boy. Today he's a pastry chef."

When people talk of exceptional cooks they have known, somebody's grandmother invariably is mentioned. She is held up as a paragon of that rare, nearly extinct breed of practitioners who could whip together superlative meals with nary a cookbook or measuring cup in sight. Surely, one proffers, this shows that some people are born cooks. This so-called "grandma syndrome" doesn't hold water with many of today's professionals.

From culinary experts

ACID TESTS

of a cook's ability

Chefs, cooking teachers and cookbook authors were asked the following question: "If you wanted to test someone to determine if he or she had the makings of a superior cook, is there any one dish you would ask the person to prepare?"

Lydie Pinoy Marshall, author and cooking teacher

"I would have someone make a simple roast chicken. I would look to see how they brown it and what kind of tender loving care they showed during the roasting."

Andre Soltner, chef-owner, Lutece

"If you ask someone to make an omelet, you will see in one second if he has technique or not. A chef who cannot make an omelet, forget it. He might have a nice feeling for cooking, but he's no professional. A very nice omelet has to have a certain shape, it has to be smooth with no wrinkles, not too fatty."

Leon Lianides, owner, the Coach House

"Give somebody a piece of fish and tell him to do something with it. By the end you will know whether this person has any talent. With good fish, the more you fuss with it the worse it's going to get, never better. The best things and hardest things to do well are the simple things."

The truth about grandma's cooking. . .

"When you think about it, most of our grandmothers, who threw in a bit of this and a little of that, were usually limited to several dishes that they made for maybe 30 or 40 years," Marshall said. "They were basically doing the same thing over and over again. If you gave them something different to do, they might be lost."

Most of those interviewed noted that grandmothers who were indeed talented cooks, not just efficient kitchen mechanics, probably had several other qualities in common with their counterparts today. Patience, a good head for organization and ability to concentrate on several things at once are also vital.

An ability to organize. . .

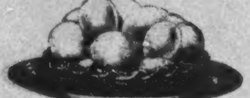
"When you analyze cooking, there are many techniques that must be mastered, and some are really boring," said Michele Urvater, co-author of *Cooking the Nouvelle Cuisine in America*. "For example, reducing a stock—constantly skimming and transferring it to small pots. That gives you a purity which maybe 99 percent of the people won't notice, but the best student does, and he cares."

Ferdinand Metz, president, Culinary Institute of America

"I would give someone a basket of ingredients and ask him to do whatever he wanted with them—but just those ingredients. It's like opening a refrigerator door and saying, 'what are we going to eat?' That tests organizational ability and creativity."

John Clancy, owner, John Clancy's Restaurant

"I'd probably have you roll out pastry. I would look at how you use your hands."



Jean-Jacques Rachou, owner-chef, La Cote Basque

"When I was 18 years old in France and working in various restaurants, the first thing a chef would ask you to do was make some omelets. Some might be overcooked, some not enough. He would look for consistency."

Jean-Jacques Rachou, the chef-owner of La Cote Basque in Manhattan, agreed: "You take four guys and give each of them the same amount of food—maybe a chicken, some wine, some spices—and one is going to make a dish better than the others. He will be the one who cuts the vegetables differently, makes the good reduction, cooks one thing a little bit more, another a bit less. That makes the difference."

Ability to organize and concentrate on many things at once was often cited as vital, especially for professional cooks. "Many things have to come off the stove and from the oven at once, and that's not easy," Clancy said.

Most interviewees concurred that those with at least an average palate and sense of smell can develop sophisticated tastes through experience.

Experience helps develop sophisticated tastes. . .

"When you come into the world, you already have a preference for sweet. That's about it, and it's unfortunate," said Ferdinand Metz, president of the Culinary Institute of America, in Hyde Park, NY. "The rest is developed through experience. You have to be willing to listen to others, try new foods. think about them."

A more difficult skill to master, the respondents said, is a sense of balance, knowing instinctively what foods complement others. Lianides of the Coach House calls it "knowing the chemistry" of food.

"In my restaurant we serve a dish of bass poached in a court bouillon with fresh vegetables, a classic dish," he explained. "We have people come into the restaurant and, because we offer salad and vegetables with meals, demand those with it. They will order a baked potato and spinach with a dish like that! Anyone who does that probably does not have the sensitivity for food balance."

Creativity—the elusive element. . .

Finally, there is that elusive element called creativity. Most of those interviewed reflected the neo-conservative backlash that has followed excesses of the nouvelle cuisine movement, insisting that innovation for its own sake is not the stuff of which great cooks are made.

"Really good cooks are not so much creators as good adapters. They are willing to take what they know works one way and move beyond that."

"I think the really good cooks are not so much creators as good adapters," said Lydie Marshall. "They are willing to take what they know works one way and move beyond that."

Those who ignore recipes, like those who slavishly follow them, lack the intellectual underpinnings that characterize cooks who shine.

"It is a rare student who, after taking courses with me or someone else," said Michele Urvater, "can just get into the kitchen with their knowledge and take off from there while feeling comfortable about what they are doing. Many people are very good recipe followers and they make nice things, but they don't have that sense of invention."

The late Fernand Point, legendary chef of La Pyramide restaurant in Vienne, France, had his own simple technique for evaluating cooks.

"When I stop in a restaurant I do not know, I always ask to shake hands with the cuisinier before the meal," he said. "If he is thin, I will probably eat poorly, and if he is both thin and *sad, the only hope is in flight.*" ❑

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FOODSERVICE TRENDS

Why you should consider taking a chance on TAKE OUT

by Cecelia Niepold

Americans are ordering more and more food to go. Many lack the time or desire to cook at home, and few can afford to eat out as often as they might like. Demographic trends—including the rapid growth in the number of working women, more two-income families, a higher number of childless couples, and an expanding singles population—have contributed to the growing market for take-out foods. Consequently, more Americans are turning to increasingly sophisticated take-out options to get quality food and the convenience of not having to cook. This trend presents new opportunities for operators who can use take-out as a means to increase sales with minimal investment.

Take-out traffic and sales rising faster than eat-in and total industry. . .

According to a recent CREST study, for the past few years take-out sales have accounted for approximately one-fifth of total industry sales and almost one out of every

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*The CREST (Consumer Reports on Eating Share Trends) survey is designed to track expenditures and behavior in the commercial segment of the foodservice industry. A special analysis of data from this survey was performed to examine take-out activity since the survey's inception in the fall of 1975 to the present. For this report, information over a one year period was combined to reflect average two-week activity during the 12 month period between September 1981 and August 1982.

three eater occasions.* The rising popularity of take-out food is more clearly indicated, though, by comparing the percentage growth of take-out sales and eater occasions with total industry and eat-in percentage gains. In these two areas, the take-out segment has consistently out performed the eat-in category.

For instance, for the 12 months between September 1981 and August 1982, CREST reports that take-out sales increased 8.8 percent over one year earlier, compared with a 5.3 percent advance in eat-in sales. A 6.0 percent rise was recorded for the industry taken as a whole. The percentage growth in take-out eater occasions is also higher than the gains in eat-in traffic. For the year ending August 1982, take-out traffic jumped 2.9 percent, while eat-in traffic recorded a slight 0.1 percent gain.

How often do consumers order take-out?...

One indication of the importance of take-out food can be seen by comparing the frequency of take-out occasions versus eat-in occasions in an average two week period.

According to CREST, for the year ending August 1982, at least one member of a typical family ate in a restaurant about four times. Families ordered take-out food only slightly less often—approximately three times in an average two-week period. Within the quick service restaurant category (primarily fast food operations), the difference is even smaller—2.4 visits for take-out meals compared with 2.2 eat-in occasions.

Percent change in dollar sales*
(September 1977 to August 1982)

	Year ending:				
	Aug. '78	**Aug. '79**	**Aug. '80**	**Aug. '81**	**Aug. '82**
Total industry	10.9%	10.7%	4.8%	11.7%	6.0%
Eat-in	10.1	11.1	5.1	11.3	5.3
Take-out	14.5	14.5	3.7	13.5	8.8

*Percent change is from prior year.
Source: *CREST, NPD Research, Inc.*

Percent change in customer traffic*
(September 1977 to August 1982)

	Year ending:				
	Aug. '78	**Aug. '79**	**Aug. '80**	**Aug. '81**	**Aug. '82**
Total industry	3.9%	−1.1%	−3.8%	1.8%	1.0%
Eat-in	NA**	NA	−3.0	1.5	0.1
Take-out	NA	NA	−5.6	2.5	2.9

*Percent change is from prior year.
**Not available.
Source: *CREST, NPD Research, Inc.*

Where are people ordering their food?...

Another way to appreciate the growing take-out trend is to examine where people order their food. During the year between September 1981 and August 1982, CREST reports the majority of food sales—44.0 percent—occurred when customers ordered food at a table. However, the proportion of table sales has dropped 7.6 percent over the last five years, while the incidence of people ordering from cars has risen dramatically—40.0 percent—over the same period of time. Car orders accounted for almost 10.0 percent of all industry sales during the year between September 1981 and August 1982. The overall proportion of telephone orders has also jumped—up 30.0 percent over five years to 7.8 percent of the total industry sales. Counter sales have remained fairly stable, contributing about 36.0 percent to total sales.

Traffic figures also reflect the rising number of car and telephone orders. The percentage of restaurant patrons ordering from cars has risen almost 23.0 percent in four years, accounting for 15.7 percent of all eater occasions during the September 1981 to August 1982 time frame. The number of customers ordering by phone has also increased, advancing 15.5 percent over four years to 8.2 percent of the total industry traffic. In contrast, the number of patrons ordering from tables has dropped 5.8 percent over four years to 24.5 percent of all eater occasions. Almost half of the

Where food is ordered: distribution of customer traffic
(September 1977 to August 1982)

	Year ending:				
	Aug. '78	**Aug. '79**	**Aug. '80**	**Aug. '81**	**Aug. '82**
At a counter	NA*	51.2%	50.1%	49.3%	49.1%
At a table	NA	26.0	25.0	25.4	24.5
From a car	NA	12.8	14.1	14.5	15.7
By telephone	NA	7.1	7.9	8.0	8.2

*Not available.
Source: *CREST, NPD Research, Inc.*

Where food is ordered: distribution of dollar shares
(September 1977 to August 1982)

	Year ending:				
	Aug. '78	**Aug. '79**	**Aug. '80**	**Aug. '81**	**Aug. '82**
At a counter	36.9%	36.5%	36.1%	35.8%	36.2%
At a table	47.6	46.6	45.2	45.1	44.0
From a car	6.8	7.7	8.4	8.9	9.5
By telephone	6.0	6.8	7.4	7.6	7.8

Source: *CREST, NPD Research, Inc.*

total orders placed by consumers occurred at a counter during September 1981 to August 1982, but overall counter traffic has dipped 4.1 percent over the last four years.

More and more people are interested in convenience and quick service as shown by the sales and traffic gains in telephone and car orders. Drive-thru windows have become increasingly available and popular during the last few years which has helped to boost sales and traffic. For instance, the number of franchise firms offering self service, drive-in and drive-thru service increased by nine in 1981, bringing the total number of franchise firms providing this service to 273. On the other hand, 167 franchise firms offered waiter/waitress service, with only six new firms adding table service in 1981. (See March issue of *NRA News*.) If you don't already have one, you may want to consider adding a drive-thru window to capture some of this lucrative market. And you should make sure your phone number is easily found to accommodate the growing number of restaurant patrons ordering by phone.

Where are people eating take-out food?. . .

According to CREST, over one-third of all take-out occasions involve food that is eaten at home. This percentage varies greatly by meal period with almost two-thirds of all supper take-out occasions eaten at home, compared with only 16.7 percent at breakfast and almost 22.0 percent at lunchtime.

These figures indicate consumers' inclination to substitute ready-made foods for home-cooked meals, especially during the dinner period when time and convenience are major factors. As can be expected, lunch and breakfast take-out meals are more likely to be consumed away from home, probably at work or school.

The significance of the take-out market for people at work can be seen by the percentage growth in the number of customers purchasing take-out food to take back to the office. The proportion of customers buying food to eat at work increased substantially during the 1981-1982 period—8.6 percent—the largest jump in any category. The proportion of consumers taking food home to eat also rose, but at a slower rate—3.8 percent. Restaurants may want to adapt their own menus or take-out selections to the quickly growing take-out market provided by people at work. (See accompanying article summarizing a recent Gallup Poll regarding lunch and breakfast take-out trends in the workplace.)

Where take-out meals are eaten: percent change in customer traffic*

	Year ending: Aug. '80	Aug. '81	Aug. '82
Inside eating place	−3.0%	1.5%	0.1%
Take-out	−5.6	2.5	2.9
At work	−17.8	−0.6	8.6
In car	−3.8	3.4	1.0
At home	−1.7	3.3	3.8
Other	−8.1	3.4	−0.5

*Percent change is from prior year.
Source: *CREST, NPD Research, Inc.*

Which meal periods depend most on take-out sales?. . .

The importance of take-out sales and traffic to a restaurant's overall performance varies by meal occasion. Logically enough, take-out sales account for an average of 45.0 percent of all snack sales. Consumers are very likely to order a snack, something small and simple, to take out. Among the main meal periods, lunch has the highest proportion of take-out sales—20.0 percent of all lunch sales for the year ending August 1982 were take-out sales. During the same period, almost 17.0 percent of all dinner sales and a smaller 12.0 percent of total breakfast dollars were due to take-out sales.

Looking at eater occasions, snacks have the highest per-

Diverse take-out options offered to consumers

Responding to growing consumer interest in elegant dining at home, restaurateurs are creating imaginative and diverse take-out options for customers.

Some of these enterprising ideas are:

- Gourmet food shops, often connected to the main restaurant and offering fully cooked upscale meals to go (an excellent method to promote additional sales at minimal cost),
- Dessert only shops catering to customer demands for high quality and gourmet sweets,
- Imaginative lunch box creations designed for special events, picnics, sporting events, holidays and special business meetings,
- Natural food selections providing entree salads and other foods that cater to growing consumer interest in nutrition,
- Bakery/cafe combinations offering tasty pastries and breads as well as small signature meals,
- Specialty foods ranging from pasta to ribs, responding to increasingly sophisticated consumers tastes,
- Traditional cafeterias offering take-out convenience for customers concerned with quick service and even
- Mail-order items for far-away patrons.

Take-out meal distribution
(September 1981 to August 1982)

	Take-out Dollar share	Take-out customer Traffic share
All meal occasions	19.1%	32.0%
Breakfast	11.6	20.0
Lunch	20.0	27.7
Supper	16.8	30.7
Morning snack	40.8	48.6
Afternoon snack	46.6	59.1
Evening snack	46.8	59.4

Source: *CREST, NPD Research, Inc.*

centage of take-out traffic, with more than one out of every two customers purchasing snacks to go during September 1981 to August 1982. Dinner, however, jumped into first place for the main meal period, with almost 31.0 percent of all dinner traffic resulting from take-out customers. Almost 28.0 percent of all lunch traffic and 20.0 percent of all breakfast eater occasions were due to customers purchasing take-out food.

The relatively higher percentage of take-out lunch sales compared with dinner take-out sales is probably because people buy an entire meal to go at lunch whereas they purchase only part of a meal to take home for dinner. In contrast, traffic is probably higher at dinner because a greater number of consumers are attracted by the convenience of take-out food for the dinner meal, whereas many people brown bag or go out for lunch.

How much do consumers spend on take-out food?. . .

An indication of the effect take-out food purchases may have on the overall restaurant industry and on a particular operation is the number of dollars consumers spend on take-out food compared with eat-in meal expenditures. According to CREST, during the year ending August 1982, the average check size per person for eat-in meals at all restaurants was $3.93. Take-out checks averaged a lower $1.96 per person at all restaurants. This margin narrows at quick service restaurants where eat-in checks average $2.33 and take-out checks average $1.82 per person. Although take-out sales are generally lower than eat-in sales, operations can reap acceptable profits from offering take-out service because often no major capital expenditures are involved.

One explanation for the lower dollar amounts spent on take-out food purchases compared with eat-in expenditures is that consumers, when ordering take-out food, buy fewer items than they otherwise would purchase if they ate in a restaurant. CREST reports the average number of items ordered at all restaurants for take-out is 2.0 versus a considerably higher average of 3.2 items purchased to eat in a restaurant. The difference is smaller, but still significant, within the quick service restaurant category, with an average 1.9 items purchased for take-out compared with 2.6 items ordered to eat in a restaurant. Although more people seem to be choosing take-out food as a convenient alternative to eating in a restaurant, many may be purchasing only a portion of the entire meal to take out and are adding items such as salads, rolls, desserts or beverages at home or at work. To counter this tendency, restaurateurs may want to offer complete take-out meals which include the entree, side dish, beverage and even dessert.

Average check size per person
(September 1981 to August 1982)

	Eat-in	Take-out
All restaurants	$3.93	$1.96
Quick service restaurants	$2.33	$1.82
Sandwich restaurants	$2.09	$1.79

How do deals and discounts affect take-out sales?. . .

Due to the general economy and restaurateurs' attempts to increase traffic, approximately one out of 10 restaurant visits involve some sort of perceived deal or discount. Ac-

Keys to building successful take-out sales

1. ***Quality packaging.*** Food should be just as good when it arrives at its destination as when it left your establishment. Make sure hot selections stay hot and cold foods stay cold. Avoid leaky or flimsy containers.
2. ***Top-notch ingredients.*** Use only high quality foods to insure customer satisfaction and repeat business. Make sure take-out meals are as good, or better, than meals served in restaurants.
3. ***Attractive meal presentation.*** Customers appreciate professional packaging and tasty food combinations.
4. ***Market research.*** Pinpoint your customer base. Gear take-out specialities to target markets, such as business executives, students, and shoppers.
5. ***Advertising.*** Let customers know take-out food is available. Print a special take-out menu and post signs in your restaurant. Print your restaurant logo on containers for free advertising.
6. ***Quick service.*** Customers order take-out food for both convenience and quality. Make sure ordered food arrives promptly.

cording to CREST, this percentage is about the same for both take-out and eat-in meal occasions for all restaurants. Interestingly, within the quick service restaurant category, though, a higher proportion of discounts is reported for eat-in occasions (15.0 percent) than for take-out meals (12.0 percent). Consumers, being smart shoppers, are very aware of offered discounts and obviously use them quite frequently. Customers do not appear to use deals as often for take-out meals at quick service restaurants which suggests a considerable consumer demand for these take-out meals. It's not quite as necessary to draw customers in with discounts; they will come anyway.

Take-out—a trend to watch...

Take-out is a growing industry trend because it answers consumer demands for convenience and quality. Restaurateurs who creatively market take-out service can build additional sales by attracting new customers, and they can offer increased options to loyal patrons.

Workers' take-out habits

Where are working people eating breakfast and lunch? According to a recent Gallup poll, many full-time workers are taking advantage of the convenience and quick service offered by take-out operations. The Gallup survey found that 12 percent of all full-time workers purchased their breakfast meal out the previous day, and almost half of these individuals—5 percent—reported taking it back to the workplace to eat.

During the lunchtime meal, not surprisingly, an even greater proportion of full-time workers order take-out food. Over a third of all full-time employees purchased lunch out on a previous workday, with one in six (17 percent) ordering take-out food. Only a slightly higher number, one in five, ate lunch in a restaurant.

Where workers are eating lunch and breakfast

	All full-time workers	Female workers	Male workers
Purchased breakfast on a previous workday	12.0%	16.0%	8.0%
• Eaten in restaurant	7.0	6.0	7.0
• Eaten at work	5.0	10.0	1.0
Purchased lunch on a previous workday	37.0	45.0	30.0
• Eaten in restaurant	20.0	19.0	20.0
• Eaten at work	17.0	26.0	10.0

Source: Gallup Monthly Report on Eating Out Attitudes and Behavior, *February, 1983*

More female employees order take-out food...

There are significant differences in the eating habits of male and female employees. Although comparable proportions of both men and women purchase breakfast and lunch at a restaurant, more women seem to order food to take back to the office. Only one percent of the full-time male workers reported ordering take-out breakfast food, compared with a much larger 10 percent of the full-time female employees. This phenomenon is also reflected during the lunch period, with one out of four female employees ordering lunch to take back to work versus only one out of 10 male workers.

Men more likely to brown bag...

Explaining some of the differences reported between male and female workers' take-out habits, the Gallup study reports more men than women "brown bag" it for lunch. A significant number of male workers—39 percent—bring lunch from home, compared with only 24 percent of the employed women. During the breakfast meal, however, only a small percentage—three percent—of both male and female workers reported bringing breakfast from home.

Take-out offers increased opportunity...

As the Gallup poll suggests, take-out presents a great opportunity for increased lunch and breakfast trade. Many full-time workers, especially women, are purchasing meals to take back to the office. Supermarkets have already responded to this trend. (See the article on this topic in this issue.) Restaurateurs, concerned with building lunch and breakfast business, may want to take advantage of worker's desires for quick service by offering food to go.

Foodservice economic indicators

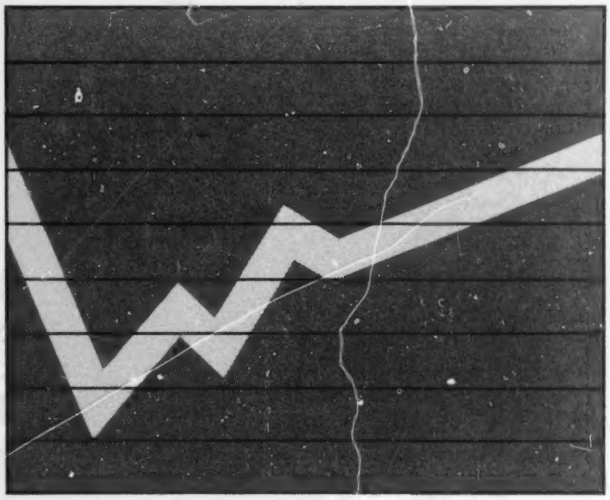
The outlook continues to brighten for the foodservice industry. Loosened monetary restraints have led to lower interest rates. There has been a slower increase in the unemployment rate, energy costs have moderated and inflation is subsiding. All this has helped strengthen consumer faith in the recovery of the economy and should improve consumer spending habits. Improving economic conditions and the July 1 tax cut, along with the normal seasonal sales and traffic increases during the spring and summer, should significantly boost foodservice sales in the months to come.

Adding to the optimistic picture for the foodservice industry is the steady slowdown in menu price increases. Menu prices, as measured by the Consumer Price Index (CPI) for food away from home, have averaged only 4.8 percent higher during the first two months of 1983 compared with one year earlier. This is slightly less than the 5.3 percent increase recorded during the 1981-1982 annual period.

Significantly smaller gains in food costs have helped operators maintain the modest menu price increases. During the first two months of this year, wholesale food costs for restaurant operators have remained virtually unchanged from the same two months last year. This compares favorably to the 2.5 percent increase posted last year.

Lower prices for beef, veal, eggs, cereals, vegetables and fruits have helped stabilize overall food costs for the industry. Smaller increases in labor costs are also helping operators keep costs down. For the month of December (latest available figures) average weekly earnings increased only 2.9 percent over December 1981. This is lower than the 3.9 percent recorded rise for all of 1982.

According to NRA predictions, real sales (adjusting for inflation) for the total industry are expected to rise 2.0 percent in 1983, compared with a slower 1.2 percent increase for 1982. Eating place sales, which account for about 60 percent of the industry total, should rise 2.6 percent in 1983, slightly higher than the 2.0 percent increase reported during 1982.



Percent change in foodservice economic indicators

Consumer prices	**1980-1981**	**1981-1982**	**First two mos. '82 vs. first two mos. '83**
Food away from home	+9.0%	+5.3%	+4.8%
Food at home	+7.3	+3.4	+1.1
All items	+9.6	+6.8	+3.4
All items less food	+10.9	+6.6	+3.7

Source: *Bureau of Labor Statistics*, Consumer Price Index

Food costs	**1980-1981**	**1981-1982**	**First two mos. '82 vs. first two mos. '83**
All food	+3.0%	+1.1%	+0.4%
NRA's food cost index	+3.0	+2.5	nc
Beef and veal	−5.0	−0.8	−3.0
Fish and shellfish	+1.8	+11.8	+5.8
Poultry	nc*	−7.6	+1.5
Pork	+11.5	+14.0	+8.8
Dairy products	+6.4	+1.3	+1.2
Vegetables	+22.6	−4.4	20.4
Fruits and juices	+4.1	+2.9	−4.3

*Not calculated.
Source: *Bureau of Labor Statistics*, Consumer Price Index; NRA

Labor costs	**1980-1981**	**1981-1982**	**Dec. '81-Dec '82***
Average weekly earnings	+7.0%	+3.9%	+2.9%
Average weekly hours	nc**	+0.4	nc

*Forecast
**Not calculated.
Source: *Bureau of Labor Statistics*

Sales	**1980-1981**	**1981-1982**	**1982-1983***
Total industry			
Current dollars	+9.3%	+6.4%	+7.9%
Real dollars	+0.4	+1.2	+2.0
Commercial group			
Current dollars	+9.8	+6.6	+8.2
Real dollars	+0.5	+1.6	+2.2
Eating places			
Current dollars	+10.3	+7.8	+8.6
Real dollars	+1.0	+2.0	+2.6

*Forecast
Source: *National Restaurant Association*
Note: *All figures are subject to revision*

Crest Report

Highlights

- Customer traffic at the nation's restaurants advanced 2.4 percent during the winter quarter, continuing the upward trend begun in the fall quarter.
- More families are dining out. Visit frequency rose during the December-January-February period, reversing the trend of the three prior quarters and further signaling an industry upturn.
- Restaurant sales jumped 7.0 percent in the winter quarter, compared with smaller gains of 5.0 percent and 1.3 percent in the two earlier quarters.
- Restaurateurs continue to use promotions to build customer traffic. Almost 13.0 percent of all meal occasions involved a promotion during the winter, up from 10.9 percent in the fall and 10.0 percent in the summer.
- Fast food and atmosphere/specialty restaurants posted the highest gains in customer traffic during the winter quarter. Family restaurants showed only a slight increase in traffic for this period.
- Breakfast, lunch and supper all experienced positive traffic growth. The lunch meal period bounced back after three quarters of declining customer counts. Snacking occasions didn't do as well, suggesting customers are opting to forego this discretionary meal period.

Customer traffic rises during the winter quarter

Customer traffic at the nation's restaurants increased in the winter quarter, continuing the upward trend begun during the fall quarter. According to CREST data, customer counts rose 2.4 percent during the winter quarter—December, January, February. Traffic was also up in the fall quarter—2.9 percent—a marked improvement from the 0.3 percent decline in the summer and the slight 0.7 percent rise during the spring.

Consumers are becoming more optimistic about the economy due to the slowing rate of inflation, lower interest rates and rising disposable incomes. As a result, the brightening economic picture has improved customer spending and contributed to the rise in the number of families dining out.

The outlook continues to be positive for the industry as a further strengthening of the economy is expected during the second half of the year. The July 1 tax cut, larger tax refunds (if the current pace continues, IRS predicts total refunds will be up $10 billion from last year) and lower energy costs will all contribute to increased consumer spending. Consumer confidence, a key factor in the strength of the recovery, is also accelerating. In March, the Conference Board's monthly survey of consumer attitudes reported the largest jump in consumer confidence in nine years. Continuing high levels of unemployment, however, may hamper sales growth to some extent.

NRA is also optimistic and forecasts eating places will experience real sales growth (adjusted for inflation) of 2.6 percent in 1983, compared with a slower two percent gain during 1982.

More families dining out...

The average number of times families visited restaurants—visit frequency—rose slightly during the winter quarter, reversing the trend of the three prior quarters and further indicating an industry upturn. Visit frequency rose almost one percent in the winter quarter compared with a 3.2 percent drop in the spring, a 1.6 percent decline during the summer and less than a one percent decrease in the fall.

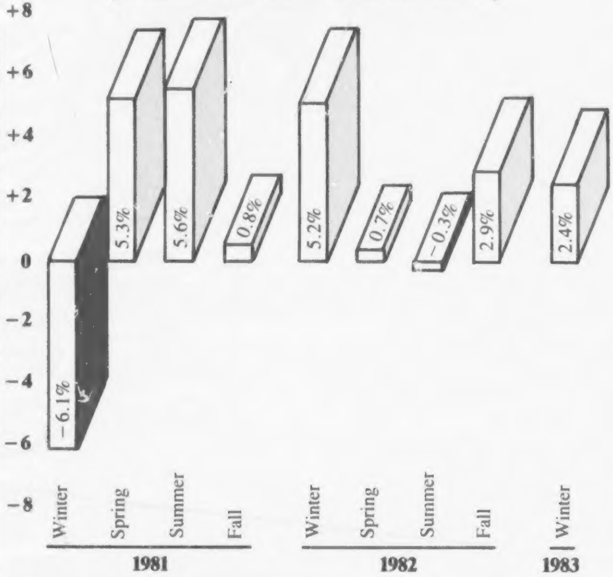
An analysis of visit frequency by restaurant type shows that fast food operations experienced the largest gain of any restaurant category during the winter quarter—up 4.3 percent. Atmosphere/specialty restaurants and cafeterias also posted an increase in visit frequency—3.6 percent and 3.3 percent, respectively. Family restaurants and coffee shops, on the other hand, experienced a drop in the average number of visits per family.

Restaurant sales up 7.0 percent...

CREST sales strengthened in the December-Janaury-February quarter, following three quarters of modest growth. Sales rose 7.0 percent during the winter quarter over the same period one year earlier. This compares favorably with a 5.0 percent gain in the fall, a slower 2.6 percent increase in the spring, and a meager 1.3 percent rise in the summer.

The average expenditure for a restaurant meal or snack—per person check size—rose 4.5 percent during the winter quarter—a significant gain compared with the three prior periods. The average check size rose only 2.1 percent in the fall, 1.5 percent in the summer, and 3.3 percent during the spring quarter. The 4.5 percent average check size increase approximates the 4.8 percent gain in menu prices measured by the Consumer Price Index (CPI) for food away from home during the same period.

Percent change in quarterly customer traffic (Winter 1981—Winter 1983)



Note: *Percent change is from the same quarter in the prior year.*
Source: *CREST, NPD Research, Inc.*

Promotion usage continues at high level...

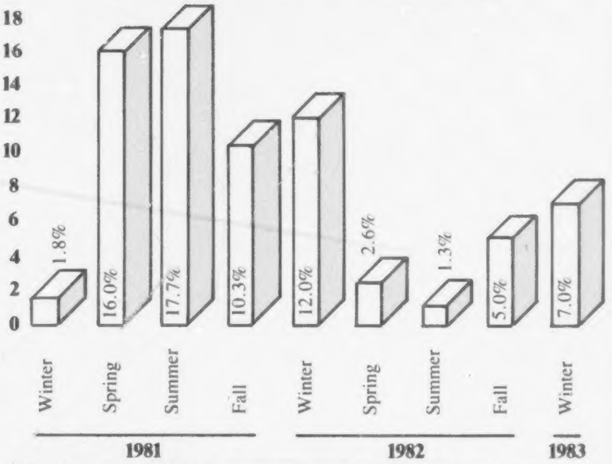
Restaurant operators are continuing to use promotions as a means of building customer traffic. In the winter quarter 12.9 percent of the meal occasions involved a promotion—up slightly from 12.5 percent during the same three-month period in the prior year. Promotional usage is up from the fall quarter's 10.9 percent rate and the 10.0 percent level during the summer.

A look at the use of promotions by restaurant type shows that fast food and family restaurants use promotions more frequently than other restaurant types. Promotions were used on 17.5 percent of meal occasions at fast food places—down slightly from 18.1 percent during the same period a year ago. Promotional usage at family restaurants rose somewhat from 11.1 percent of the occasions in the winter of 1982 to 11.8 percent in the most recent winter quarter.

Traffic increases at fast food and atmosphere/specialty restaurants...

Fast food and atmosphere/specialty restaurants posted the most favorable gains in traffic in the winter quarter, while customer counts at family restaurants increased only slightly. However, traffic levels declined at cafeterias and coffee shops during the December-January-February period.

Traffic rose 6.8 percent at fast food restaurants in the winter quarter from the same period a year ago. An increase in the number of families eating at fast food restau-



Percent change in quarterly CREST sales* (Winter 1981—Winter 1983)

*Sales based on total U.S.; average for two-week period each quarter.
Note: *Percent change is from the same quarter in the prior year.*
Source: *CREST, NPD Research, Inc.*

rants as well as gains in visit frequency and party size all helped to boost traffic. Also contributing to the traffic increase posted by this segment is the high level of promotions used by fast food restaurants. Promotions were used heavily at this restaurant type during the winter—on 17.5 percent of the occasions.

Sales at fast food restaurants rose substantially during the winter quarter—13.5 percent—significantly above the 7.0 percent gain recorded for all restaurants. The per person check size also increased at fast food restaurants during this period—up 6.3 percent—which contributed to the sales growth. This is somewhat higher than the 4.5 percent increase in average check size posted by all restaurants.

Customer counts rose 4.1 percent at atmosphere/specialty restaurants during the December-January-February quarter from the same three-month period one year earlier. This compares with a 4.5 percent decrease recorded in the previous fall quarter. An increase in the number of visits by families to this restaurant type as well as a rise in party size account for the gain in customer traffic.

The per person check size at atmosphere/specialty restaurants declined 2.3 percent in the winter quarter from the same period a year ago. Promotions were used on 10.9 percent of occasions at this restaurant type—down only slightly from 11.2 percent during the same three-month period one year earlier. These factors most likely led many consumers to perceive a favorable price/value relationship for a meal at an atmosphere/specialty restaurant and contributed to the above-average rise in traffic.

Family restaurants posted a slight 0.1 percent gain in customer traffic during the winter quarter from the same period a year ago, following a stronger 4.4 percent increase in the fall quarter. Visit frequency was down sharply—4.0 percent—which contributed to the slower traffic level. Consumers, increasingly optimistic about the economy, may have begun "trading up" in their dining out habits which has decreased visit frequency at family restaurants and boosted visits to atmosphere/specialty restaurants.

The per person check size at family restaurants rose an above average 6.7 percent during the most recent CREST period, compared with a smaller 4.5 percent increase for all restaurants. Promotions were used on 11.8 percent of all occasions at this restaurant type in the winter quarter.

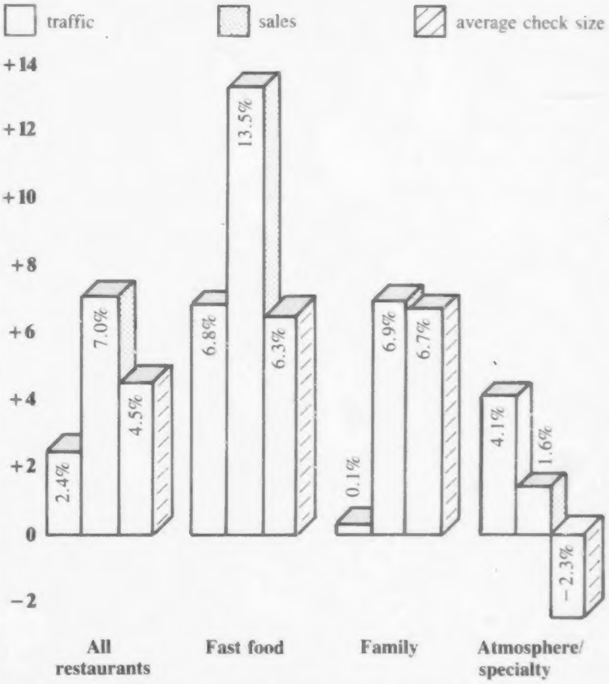
Coffee shops and cafeterias posted declines in customer traffic during the winter quarter. The number of families dining out at coffee shops and cafeterias dropped during the December-January-February period which contributed to the decrease in customer counts at these establishments. Takeout restaurants, however, experienced a slight increase in traffic, boosted by a gain in visit frequency during the winter quarter.

Customer counts up at breakfast, lunch and supper. . .

Traffic at the main meal periods—breakfast, lunch and supper—rose during the winter quarter, while customer counts for snacking occasions declined.

Breakfast continues to post the best traffic performance of all meal periods. Traffic for the first meal of the day was up 5.3 percent during the December-January-February period, compared with a slightly higher 5.7 percent rise in the fall quarter. Although the number of breakfast visits made by families declined, the number of families eating out for the morning meal rose moderately and helped maintain the overall rise in customer counts.

Winter quarter performance by select restaurant type



Note: *Percent change is from the same quarter in the prior year.*
Source: *CREST, NPD Research, Inc.*

Customer counts for the evening meal posted a 3.6 percent gain in the winter quarter over the same period a year ago. Visit frequency and number of families eating out for supper were both up in this latest quarter, probably a direct benefit of the improving economy. Promotions were used on 18.0 percent of the supper occasions during the winter quarter—up substantially from 13.2 percent during the same period a year ago. Heavy promotional usage also contributed to the gains in supper traffic and sales in the winter period.

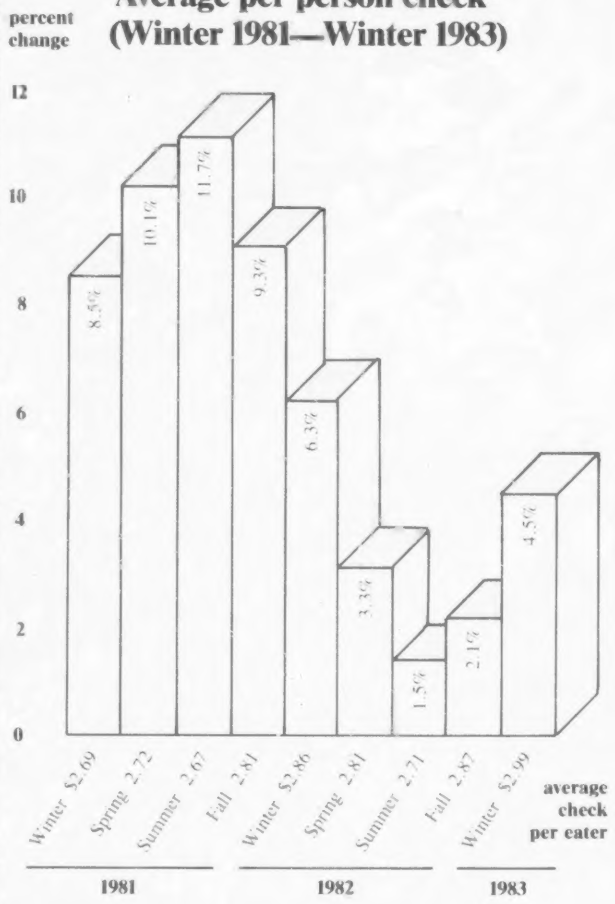
Restaurant traffic at lunch was up in the winter quarter, reversing the trend of the three prior quarters. Customer counts rose 1.2 percent during the winter over the same period a year ago. Traffic was down about one percent in the fall, 0.3 percent in the summer and 3.1 percent during the spring quarter. Visit frequency was up slightly during the winter quarter which helped improve customer counts during the mid-day meal. A strengthening economy should improve traffic and sales during the lunch period, but continuing high levels of unemployment may dampen the growth to some degree.

Snacking occasions experienced a 2.4 percent decrease in traffic during the winter quarter, marking the fourth consecutive quarter of falling traffic for this discretionary meal period. Families continue to snack away from home less often—visit frequency dropped 4.8 percent for this meal period during the winter quarter.

CREST data can be helpful to restaurateurs. . .

The CREST information presented here can be useful to restaurateurs as a base for comparing their operations with industry performance nationally as well as with performance within their specific restaurant category (fast food, family, atmosphere/specialty restaurants). CREST data can also help monitor performance for specific meal periods and identify how segments will be affected by economic conditions. More detailed CREST information is available to NRA members through the research and information service department of the National Restaurant Association, 311 First St., N.W., Washington, DC 20001.

Average per person check* (Winter 1981—Winter 1983)



Based on average two-week period.
Source: *CREST, NPD Research, Inc.*

What is CREST?

Launched in September 1975, the CREST (Consumer Reports on Eating Share Trends) survey is designed to track expenditures and behavior in the commercial segment of the foodservice industry. While the study does track chain trends, it contains a great deal more data, including information by type and classification of restaurant and also by meal or snack period.

Some 10,000 families, or approximately 30,000 persons, participate in the study. They have been selected to represent the demographic patterns in the U.S. Each family is asked to record restaurant experiences for a particular two-week period for each of the four quarters during the year. Because the study is repetitive, it creates an excellent opportunity to follow changing trends.

In order to properly complete the CREST diary, several steps are involved. Step 1 requires that each household member make a daily entry for each meal during the two-week period. Whenever the code for restaurant purchases appears, the participant is asked to elaborate on the occasion by making further entries in the diary.

The second portion of the diary is used only if a household member ate or obtained food prepared away from home in establishments such as restaurants, hotels and motels, fast food/drive-ins, delicatessens, refreshment stands, carryouts, coffee shops, donut shops, ice cream shops or eating places inside variety stores or other retail stores. The diary will not include any meals eaten at schools, hospitals, colleges or other institutional feeding places. When the two-week reporting period is complete, the diary is returned to NPD Research, Inc.

The CREST study is a joint effort of individual foodservice organizations acting in concert to fund a study perhaps beyond the economic reach of any of the individual participants. NRA is solely a participant in this study and not a sponsor. Readers wishing more information on how to participate in the CREST study should contact NPD Research, Inc., 9801 West Higgins Road, Rosemont, IL 60081.

The CREST study is designed to provide information on customer behavior, not attitudes. This study will, therefore, provide the user with information on how much people spend, where they spend, what they spend on and so forth. It will not tell people's attitudes toward a particular issue. Because it is an ongoing study, it will allow comparison against a standard—and aid in the development of trend analysis. This enables the operator to make decisions based on documented trends rather than on casual observation.

HALF BAKED

Menu medicine

In the southwestern provincial city of Chengdu, China, there is a restaurant that doubles as an all-purpose clinic and pharmacy.

If patrons complain of asthma, indigestion or tired blood, Yang "Doc" Zhongyang, owner of the Peaceful Gathering Restaurant, has just the remedy—roast duck with caterpillar fungus. For those with heart palpitations, there are fragrant pig tongue slices. Chicken cooked with a special butterfly will cure coughs. Silver fungus and pigeon-egg soup will stop ringing in the ears. And fruity pork slices in wolfberry sauce are reputed to improve eyesight.

Many of these remedies date back to the seventh century when an ambitious Tang Dynasty general brewed a mixture of deer, dog, ram and rooster testicles to help the emperor regain interest in his concubines. (And we all know what happened to people who disappointed their emperors!) This same potency bisque can still be had at Peaceful Gathering for $20 a portion, but most of Doc's specialties cost much less.

Although Doc is not a licensed physician, people travel hundreds of miles to cure their ills with his cooking.

Yang, a stocky, stooped man wearing whites, claims his specially trained cooks can substitute for doctors in all but the most serious diseases. "If it's cancer we tell them to go to the hospital. But we can cure the little diseases like anemia, irregular heartbeat, bronchitis, dizziness and weaknesses."

Yang also believes that a little honey helps the medicine go down. Doc's dishes contain both sugar and monosodium glutamate. "Our foods must be tasty as well as healthy," explains Yang, "otherwise who will eat them?"

Actually, many people eat them. More than 1,000 meals are served each day, and Y[illegible] his recipes zealously.

—Washington Post

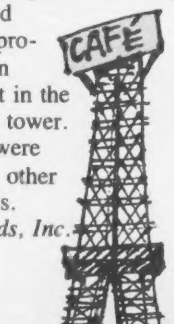
P.S. Don't try these recipes before visiting the Peaceful Gathering Restaurant.

11,000 pieces of the Cafe de Paris

The Cafe de Paris, a trademark of the Eiffel Tower for more than 40 years, is now in America. However, it does not yet hold the prestigious position it once had. Currently, it is disassembled, and all 11,000 pieces of the famous structure are stored in wooden crates in a Long Island, NY, warehouse. But don't worry. One of the restaurant's original architects has been retained to ensure its smooth reconstruction as soon as Moreton Binn, the man responsible for bringing the Cafe de Paris to American shores, decides on a proper and fitting location for the transplanted eatery.

The restaurant had to be removed from its 56-storied Eiffel Tower perch because of the weight it was casting on the structure. In partial exchange for the city-owned restaurant, Binn provided construction materials to assist in the renovation of the tower. These materials were obtained through other barter transactions.

—Atwood Richards, Inc.



A wine tasting for priests

Although the average medium-sized Roman Catholic parish consumes eight to 10 cases of wine a year, the average priest knows very little about wine. "Some think that we still make wine by crushing grapes with our feet," says Brother Levi of Christian Brothers. To enlighten priests about the fruit of the vine, Christian Brothers has begun some low-key marketing, including wine-tasting parties.

Recently, Christian Brothers conducted its first party for nearly 40 priests who gathered in Menlo Park, CA, for a Vatican II review conference. Eleven wine varieties from chablis to red burgundy and from golden tokay to sauterne were arranged for sampling.

And what did the majority of priests prefer? The white Angelica. The company's literature describes Angelica as: "A light, gold-colored sweet wine of a mild and fruity character, made predominantly from sun-ripened palomino and mission grapes. A California original named after Our City of the Angels, Los Angeles."

This might sound like something that would appeal to priests, but you have to consider all the angles. White wine is preferred by most clergymen for a very mundane reason—the laundry. If red wine is spilled on vestments or altar clothes, it stains. White wine doesn't.

—Wall Street Journal

NRA SEMINAR SCHEDULE

Banquets and Buffets

5/18-19	San Francisco, CA
6/20-21	New Orleans, LA
7/11-12	Dallas, TX

Bar Management

6/13-15	Honolulu, HI
6/27-29	Louisville, KY
7/11-13	Milwaukee, WI

Basic Purchasing

5/21	Chicago, IL (NRA Show)
7/11	Kansas City, MO

Basic Supervision

6/14	Columbus, OH
6/21	Grand Rapids, MI
7/20	San Francisco, CA

Computers

5/21	Chicago, IL (NRA Show)
6/20	Milwaukee, WI
6/23	Ann Arbor, MI
6/30	Buffalo, NY

Controlling Beverage Costs

6/6	Duluth, MN
6/8	Fargo, ND
6/15	Little Rock, AR
6/23	Cheyenne, WY
6/29	Madison, WI

Controlling Food Cost

6/27	Evansville, IN
6/29	Lexington, KY
7/13	Little Rock, AR

Controlling Labor Costs I (*)

7/11	Minneapolis, MN
7/13	Detroit, MI
7/26	Baltimore, MD

Controlling Labor Costs II (*)

7/12	Minneapolis, MN
7/14	Detroit, MI
7/27	Baltimore, MD

Creative Merchandising Techniques

5/22	Chicago, IL (NRA Show)
6/16	Louisville, KY
7/6	New York, NY

Dining Room Management

5/9	Boston, MA
5/21	Chicago, IL (NRA Show)
6/1	Boise, ID
6/14	Ft Lauderdale, FL
6/28	Billings, MT
6/30	Anchorage, AK

Hiring Hourly Employees

5/21	Chicago, IL (NRA Show)

Kitchen Management

5/10	Providence, RI
5/12	New Haven, CT
5/22	Chicago, IL (NRA Show)
5/31	Denver, CO
6/13	Orlando, FL
6/16	San Juan, Puerto Rico
7/25	New Orleans, LA
7/27	Jackson, MS

Location! Location! Location! How to Successfully Negotiate and Finance your New Operation

5/21-22	Chicago, IL (NRA Show)
7/25-26	Denver, CO

Menu Development

5/21	Chicago, IL (NRA Show)
6/27	Oklahoma City, OK
6/29	St. Louis, MO

Motivation: Increasing the Desire to do More and Better Work

5/22	Chicago, IL (NRA Show)
6/1	Boston, MA
7/7	Newport Beach, CA

Off-Premise Catering

6/20-21	Minneapolis, MN
7/18-19	Washington, D.C.

Operational Analysis

5/21-22	Chicago, IL (NRA Show)

Perfecting Your Culinary Skills (**)

6/29	Hartford, CT
7/28	San Francisco, CA

Planning & Implementing Restaurant Marketing Strategy

5/21-22	Chicago, IL (NRA Show)
6/27-28	Boston, MA

Practical Meat Workshop

5/22	Chicago, IL (NRA Show)

Preparing a Successful Employee Manual

5/21-22	Chicago, IL (NRA Show)

Restaurant Design & Facilities Planning

5/21-22	Chicago, IL (NRA Show)

Simplified Baking Workshop

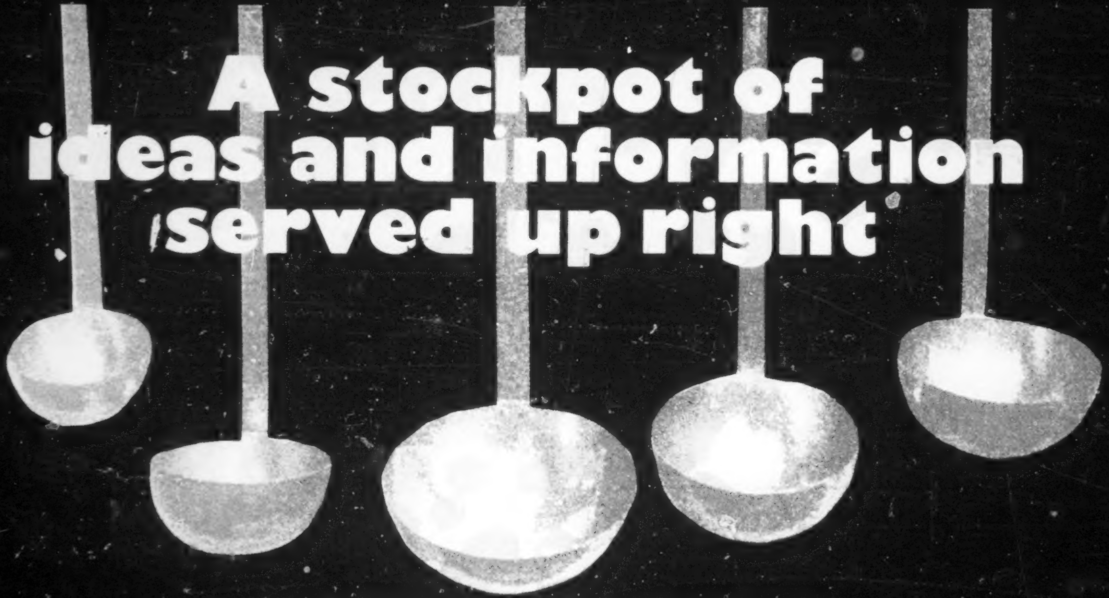
7/21	Salt Lake City, UT

Wine: Sales and Merchandising

5/22	Chicago, IL (NRA Show)
7/25	Knoxville, TN

(*) *Controlling Labor Costs* has been expanded to two one-day courses; attendees can participate in either or both, as they prefer.

(**) Formerly *Improving Food Production Methods*



A stockpot of ideas and information served up right

ANNOUNCING

NRA's 1983-84 National Conferences

Second Annual National Conference on Promotions

PROMOTIONS '83

Washington, DC • August 21-24, 1983

Eighth Annual California Wine Workshop

CALIFORNIA WINE

Monterey, California • September 10-15, 1983

Ninth Annual NRA/UNLV Tableservice Conference

TABLESERVICE

Caesars Palace, Las Vegas • January 9—12, 1984

National Conference on Computers in the Foodservice Industry

COMPUTERS

Orlando, Florida • February 19-22, 1984

Second Annual National Conference on Alcoholic Beverage Service

ALCOHOLIC BEVERAGE

San Fransisco, California • March 19-22, 1984

For more information:

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(202) 638-6100 or (800) 424-5156

National Restaurant Association

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NRA NEWS

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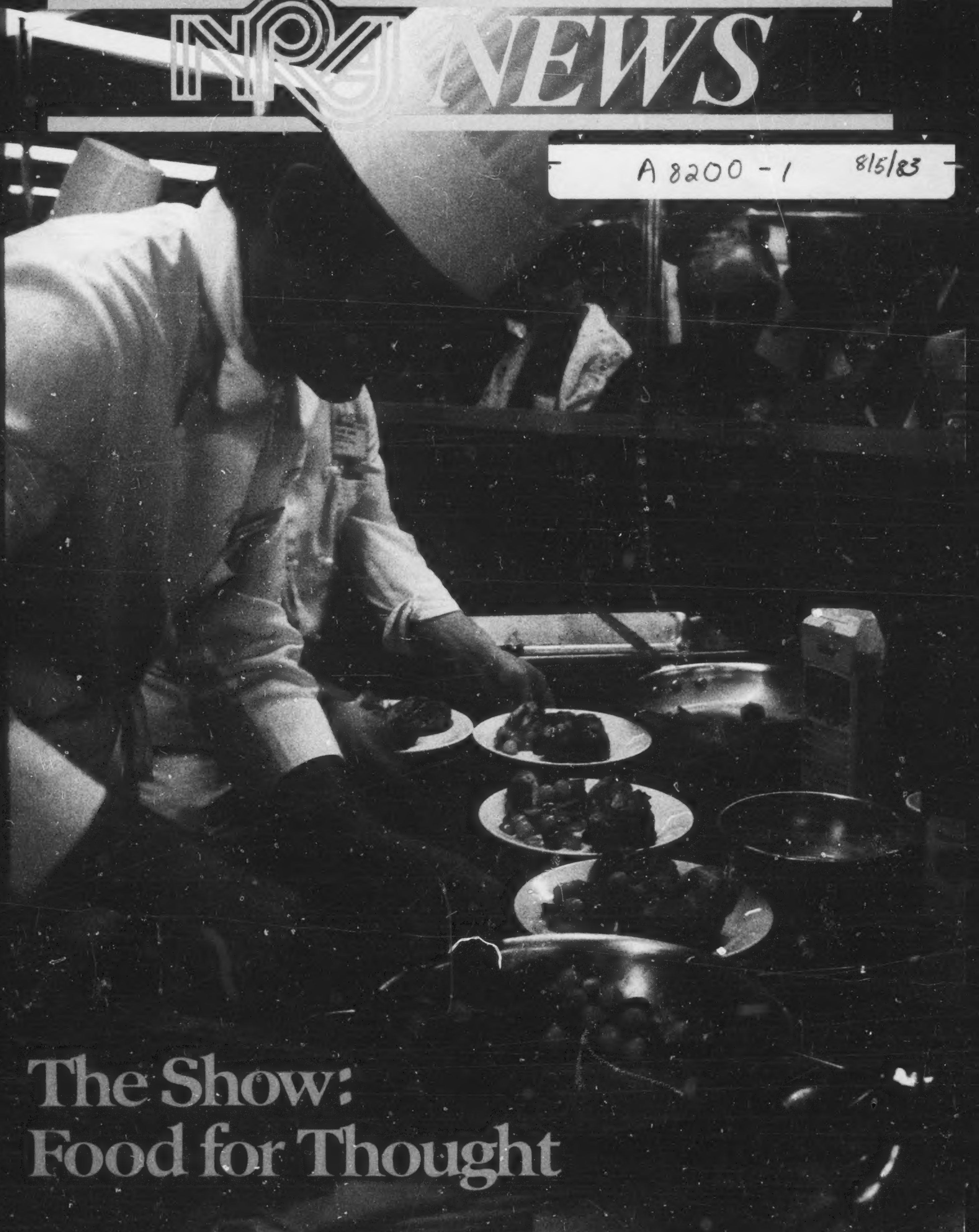

The Show: Food for Thought

NRA seeks sponsors to change tip reporting law

At its May meeting, the NRA Board of Directors voted unanimously to support legislation which will eliminate the inequities caused by the new tip reporting law included in the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA).

We are seeking sponsors in Congress for an amendment to the existing law which would

1. eliminate allocation and substitute reasonable reporting requirements
2. exclude from coverage of the law employees in establishments where tips clearly fall below five percent of gross sales and
3. define the term "establishment" to mean unit, as Congress intended, and therefore exclude from coverage of the law units with less than 10 full–time employees which happened to be owned by one individual or corporation.

Why are we determined to amend the law rather than repeal it? The intent of TEFRA was to tighten loopholes so that all citizens pay the taxes required by the tax code. The tip reporting provision in particular was designed to ensure that our employees pay taxes on tip income. It's hard to argue with that intention. But *we object to the unjust procedures the law establishes* to obtain its goal.

NRA believes that the law should be amended to remove the unfair allocation burden placed on our industry and still provide IRS with the information it needs to ensure taxpayer compliance.

We continue to negotiate with the Senate Finance Committee and IRS officials in the hope of avoiding a legislative battle. But unless these negotiations achieve some measurable results within the next few weeks, we will ask for your active support for this amendment.

At that time, we will ask you to contact your congressman or senator. We will ask you to explain the amendment to your employees and seek their support. And we will ask you to speak to the media and publicize our position.

The tip reporting requirements as they stand today are unprecedented and unjust to both employee and employer. *I know of no law which has caused more dissension* in our business. NRA is calling on all of its members to work together to change these requirements. If the foodservice industry speaks out with one voice, Congress will listen.

Sincerely,

Joe R. Lee

Joe R. Lee
President

NRA NEWS

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Cover Story

There's a lot to think about at the NRA Show. On the exhibit floor, at seminars, in competitions and in the culinary salon there are ideas to mull over and integrate into your operation. No one leaves the Show empty handed. Even the U.S. Culinary Team was busy this year experimenting with dishes to narrow down its selections for the 1984 international competition in Frankfurt, Germany.

On the cover of this issue Siegfried Eisenberger, a member of the regional team and executive chef for the Opryland Hotel in Nashville, TN, is preparing "Chicken Napa Valley," chicken legs stuffed with wild rice and garnished with almonds, green and blue grapes and cantaloupe balls, while a group of Show participants look on.

Even if you didn't make it to Chicago in May, you can get a feeling for the scope of information at the 64th annual Restaurant, Hotel-Motel Show by reading the Show Report.

7 An overview.

9 Industry trends come to life on Show floor.

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Cover photograph: Eric Futron

SHORT ORDER

Restaurateurs win small business awards

Eight foodservice operators were named Small Business Person of the Year in their respective states. These prestigious awards are presented annually by the Small Business Administration (SBA) to entrepreneurs who have made outstanding contributions to the small business community.

Five of this year's eight winners are restaurateurs.

✱ William Benzick, president, Best Food Services, Inc., St. Paul, MN, began his catering firm in 1975. One of his first customers was the Stillwater State Prison, which he made a leader in the institutional foodservice field. Today the company serves 40 St. Paul facilities, including nursing homes, hospitals, government offices and private corporations. Best Food, which employees 285 people, has two subsidiaries founded on an employee stock ownership plan.

✱ Phyllis Griggs, president of Ahora Que, Inc., McAllen, TX, took over a Mr. Donut franchise in 1973. In 1974 she opened a second Mr. Donut, and in 1975 the McAllen franchise was first in sales in the nation. Griggs introduced biscuits and sausages at her operation, an innovation that was adopted nationwide. She also added Mexican-American specialities to give her menu local flair.

✱ Robert Harnish and Brenda Harnish bought and restored the Contina Inn in Mendon, VT. They added extra rooms, tennis courts, a health club and a fitness spa to make their inn a viable year-round resort. Their efforts have paid off. Their revenues have increased eight-fold since the Harnishes purchased the inn in 1971.

✱ William Saign, president, Lettuce Leaf Restaurants, Clayton, MS, opened his first restaurant in 1976. Today Saign has five restaurants. Part of the success of these restaurants comes from Saign's marketing strategy: He displays each of his 16 salads on a bed of ice for patrons to consider as they come into the restaurant. He also gives away his menus, which are designed to promote such cultural institutions as the symphony and zoo.

✱ Dr. Steven K. Wilson, a practicing urologist and president of Merry Go Round Glass Co., Fort Smith, AR, owns two restored restaurants. Tomfoolery, which is in Fort Smith, quadrupled its sales the first year Wilson took it over. The Packet House in Little Rock opened in 1982.

The three others to win the small business award are John Amoroso, president of Bangor Wholesale Foods, Inc., in Newport, ME; Don Purvis, president of Landshire Food Products, Inc., in Albuquerque, NM; and Louis Ruiz, president of Ruiz Food Products, Inc., in Tulare, CA.

Help grandparents feel grand on Grandparents Day

On September 11, the Sunday after Labor Day, grandparents around the country will receive a special tribute. Many of them will share a lunch or dinner with their families who will gather together to celebrate Grandparents Day, an official holiday since 1979. Your restaurant has an opportunity to take part in this holiday and to make a profit—in the way it has on Mother's Day and Father's Day.

The National Council for the Observance of Grandparents Day has prepared promotional materials to help build awareness for the holiday.

It has developed streamers, posters, mobiles and pennants, which are described in a brochure that is available toll-free by calling (800) 621-4118 ((800) 972-3608 in Illinois).

In addition, it has cut a record (a single) of its official theme song called "Every Baby's Best Friend." This, composed by Bob Colby and performed by Mickey Rooney and 24 children from Talent Town, is available for purchase from the National Council for the Observance of Grandparents Day, Record Division, P.O. Box 490022, Atlanta, GA 30349. One hundred copies of the record cost $85. On the flipside of the single is the tune "Companionship.

WASHINGTON REPORT

10

COMMON MISCONCEPTIONS

about the new tip reporting law

1. ***Coverage under the new law is based solely on the number of tipped employees working in the establishment.***

NOT TRUE. The IRS (Internal Revenue Service) regulations state that an employer must count *all* his employees—both tipped and non-tipped—to determine whether he is covered by the new law. Generally, a restaurant is covered if any of its employees receive $20 or more a month in tips and if 11 or more full-time employees were working in the restaurant on a typical business day in 1982. To take into account part-time employees and seasonal variations, IRS has said that an establishment is covered if more than 80 hours were worked by all employees on a typical day in 1982.

Owner-operators do not have to count themselves as an employee. Corporations that own or control more than one unit must count all employees of all their units when determining coverage.

2. ***The new law amounts to a new tax on tips.***

NOT TRUE. There are no new taxes on tips. IRS has always counted tips as income, regardless of whether they are charged or left on the table; and tips, therefore, have always been subject to income and Social Security taxes. What is new is the government's method of cracking down on those tipped employees who have not been reporting all of their tips. IRS expects to receive additional revenue as a result of the new law, but the new law is not a new tax.

3. ***The new law forces employees who receive tips of less than eight percent to pay taxes on income they have not earned.***

NOT TRUE. The new law requires an employer to allocate additional tip income to employees when total tips reported fall short of eight percent of an establishment's gross sales. The allocated amount is an estimate of each employee's share of the establishment's shortfall. This amount is *not* considered reported tips, and it is *not* subject to withholding. Remember: Allocation is simply a calculation. It involves no cash transfer. It does not affect the payroll.

At the end of each calendar year, the employer will total all allocations made for each tipped employee and report them on the employee's Form W-2 as "allocated tips." A special box will be provided for this information. Generally, IRS expects tipped employees to include the allocated tips as gross income on their federal tax return.

However, employees who do not receive the amount shown as allocated tips may choose not to include it as part of their gross income. If an employee opts not to report allocated tips on his tax return, he should have sufficient records to demonstrate that he did not receive this amount in case of an IRS audit.

4. ***Under the new law, an employee is required to report tips amounting to no more than eight percent of his sales.***

NOT TRUE. The law regarding tip reporting has not changed. As has been the case since 1966, tipped employees are required to report *all* of their tips to their employer on or before the 10th day following the end of the month tips were received. Tips are commonly reported using IRS Form 4070. Employers are required to withhold taxes due on this reported tip income.

Therefore, employees who regularly receive more than eight percent of their sales in tips will not be exempt from IRS audit if they report only eight percent.

5. ***To avoid having to allocate, employers may determine each employee's share of eight percent of sales and then take taxes out accordingly.***

NOT TRUE. Only tips reported by the employees themselves are subject to withholding. An employer cannot report tips for his employees.

6. ***Tips used to satisfy the tip credit cannot be used to satisfy the new eight percent requirement.***

NOT TRUE. Under current federal law, an employer may take a tip credit of up to 40 percent ($1.34 an hour) of the minimum wage, provided tipped employees receive at least $30 a month in tips and the amount of tip credit taken does not exceed actual tips reported. The new law does not change this. The same tip income reported by employees in order to satisfy the tip credit requirements can be used to meet the eight percent requirement.

7. ***As far as IRS is concerned, a service charge is the same as a tip.***

NOT TRUE. A service charge is an amount added to a restaurant customer's check by management, while a tip is a voluntary gesture from the customer. With a tip, both the idea of giving and the amount of the tip originate in the patron's mind. With a service charge, the customer has no choice but to pay an amount determined by management.

If management decides to give its employees all or a portion of the service charge, it must be paid as wages; and taxes must be withheld. Because service charges paid to employees are treated as cash wages, checks with a service charge of 10 percent or more are not considered part of a restaurant's gross receipts for reporting purposes under the new law.

However, for all other tax purposes, service charges—regardless of the amount—are considered part of gross receipts. Remember, too, that a service charge can never be used to satisfy the tip credit.

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However, for all other tax purposes, service charges—regardless of the amount—are considered part of gross receipts. Remember, too, that a service charge can never be used to satisfy the tip credit.

8. *Some employees are receiving no income at all as a result of the new law.*

NOT TRUE. An employee may receive little or no cash wages as a result of increased reporting, but this does not mean he has not earned any income. If an employee receives a "zero" paycheck, it is because his tip income for that period was so great that his cash wages were completely exhausted in meeting his tax liability. In such cases, the employee derives most of his income from tips rather than wages.

When an employer finds himself "running out" of paycheck to cover all of an employee's tax obligations, he should withhold taxes based on an IRS priority (available from NRA) and carry over any unmet obligations to the next pay period. If it becomes apparent that an employee's wages will continually be insufficient to cover his tax obligations, he should be directed to file a quarterly estimate of income taxes with IRS.

9. *Allocation is required for all of 1983, and allocations are made on an annual basis.*

NOT TRUE. During 1983, allocation is required for the months of April through December. Allocation was not required during the first quarter of this year. After 1983, however, allocation will be required for an entire calendar year.

Under IRS regulations, an allocation must be made at least every 31 days whenever total reported tips fall short of eight percent of gross sales. (Allocations can be made on a payroll–period basis if an employer wishes.) Thus, at the end of a normal calendar year, an employer may have made any number of separate allocations. These allocations are added together and reported on each employee's Form W-2 as "allocated tips."

10. *The IRS regulations governing the new law are final.*

NOT TRUE. IRS issued proposed regulations on Dec. 8, 1982. Written comments and testimony given at a public hearing in February on the proposed regulations will be taken into consideration when IRS writes its final regulations. NRA expects final regulations to be published soon, but, in the meantime, the proposed regulations have the force of law and must be followed.

NRA seeks to eliminate injustices of tip reporting

In order to correct inequities in the new tip reporting requirements, NRA's Board of Directors voted to seek legislation to amend the tip reporting law. NRA's goal will be to replace the current burdensome allocation procedure with a reporting mechanism that is reasonable, provide relief for those restaurants where tipping is less than five percent and remove the requirement that an otherwise exempt establishment be covered if it is part of a larger corporation. NRA staff will also continue its negotiations with Sen. Robert Dole's office and the IRS.

The Board's decision was announced by incoming NRA President Joe Lee (General Mills Restaurant Group) during a press conference at the NRA Show on May 24. The text of Mr Lee's statement appear on page 12.

NRA immigration amendment passes House Judiciary Committee

In a victory for NRA, the House Judiciary Committee on May 5 cleared the Immigration Reform and Control Act (H.R. 1510) with an NRA-supported amendment to make employer recordkeeping requirements voluntary. However, the Senate passed its own version of the immigration reform bill (S. 529) on May 18 without such an amendment. NRA is now hopeful that if the full House passes H.R. 1510, the amendment will be retained during a House-Senate conference.

One of NRA's major concerns with the immigration bill has been the increased paperwork that would be involved in verifying the citizenship status of prospective employees. The House Judiciary-approved amendment addresses this concern by giving employers an option of checking employee identification cards.

The original legislation required employers to check at least two IDs and keep for at least five years a statement indicating they had checked them. Under the amendment introduced by Rep. Tom Kindness (R-OH), they need not do either; however, the attorney general would have the authority to make verification and recordkeeping mandatory in an establishment where the employer was found to have hired an illegal alien.

Floor action on H.R. 1510 is expected later this summer.

NRA-PAC
gears up for 1984 elections

NRA's Political Action Committee (PAC) is already gearing up for the 1984 elections, hoping to exceed last year's record $103,250 in contributions to congressional candidates.

"Even though the 1984 elections are more than a year away, it's not too early for us to get involved in the fund-raising process," says NRA-PAC Chairman Ralph Evans. "Our staff in Washington is already getting calls from reelection committees requesting contributions. Running for office is a very expensive undertaking, and serious candidates know they have to begin their fundraising efforts early if they hope to be successful."

Evans notes that NRA-PAC has to begin its own fund-raising early as well. "We can't be effective if we put off our own activities until next year. You just about have to start working towards the next election the day after the last one."

NRA-PAC contributed to 89 candidates in 1982...

Last year, NRA-PAC contributed over $100,000 to 89 candidates for the U.S. House of Representatives and U.S. Senate, a sizable increase over the 1980 election when NRA contributed $65,000 to 138 candidates.

"In 1982, we made larger contributions to fewer candidates in an attempt to make our individual contributions more meaningful," Evans explains. "We felt giving $2,000 to one candidate would have more weight than a $500 contribution to four candidates. We also concentrated more of our resources on 'opportunity' candidates—challengers running against incumbents, candidates seeking open seats and races where one incumbent ran against another. Altogether, over 42 percent of all our contributions went to improve the makeup of Congress rather than playing it safe and going heavily with incumbents."

Like hundreds of other PACs that emerged during the 1970s, NRA-PAC was created to pool association member contributions into one fund for stronger and more effective participation in the election process.

"The NRA-PAC is a legal, authorized vehicle that enables us, under strict requirements and regulations, to support candidates who recognize our interests," says Evans. "It is an effective means for individuals to make contributions to candidates who share their views on business issues."

NRA-PAC awards campaign contributions to candidates running for seats in the Senate and House. The PAC selects candidates and disburses money to their campaign committees, based on their positions on key restaurant issues, their voting record (if they have held prior office), their financial need and the closeness of the race.

Member contributions cannot exceed $5,000...

Member contributions to NRA-PAC cannot exceed $5,000, but they average less than $100. Likewise, disbursements to any candidate by the PAC cannot exceed $5,000 per election. Also, Federal Election Committee (FEC) rules will not allow corporations to make contributions to trade association PACs like NRA-PAC.

Although NRA-PAC raised more last year than it ever has, the total was still small in comparison to other groups. The Hotel Employees and Restaurant Employees International Union, for example, raised $168,531 during the same period, and the American Hotel and Motel Association's PAC raised $123,625.

The top fundraisers in the trade-membership PAC category during the 1981-82 election cycle included Realtors Political Action Committee, $2,991,732; American Medical Political Action Committee, $2,466,425; National Rifle Association Political Victory Fund, $2,026,801; National Association of Home Builders, $1,318,750 and Automobile and Truck Dealers, $1,167,395.

Top labor PAC fundraisers included United Auto Workers, $1,956,578; Machinists, $1,609,674; United Food and Commercial Workers, $1,220,393 and AFL-CIO, $1,152,019.

Despite tremendous amounts of funds raised by these PACs, PAC contributions have remained a relatively minor part of the total spent.

"There is absolutely no truth to the myth that PACs 'buy' candidates," Evans says. "The fact is PAC contributions help make it possible for well-qualified people to run for office and to stay in office—people that might not otherwise be able to afford to run."

Information regarding NRA-PAC is available from the NRA Washington office, 311 First Street, N.W., Washington, DC 20001.

NRA-PAC contributes to Rep. Schaefer

Representative Daniel Schaefer (R-CO), one of the newest members of the United States Congress, received a boost for his special election campaign from the National Restaurant Association Political Action Committee. Presenting an NRA-PAC check to Rep. Schaefer (right) is NRA Board Member Jerry Goodwin and Donald Quinn, executive director of the Colorado-Wyoming Restaurant Association.

—Jay Morris

THE BOARD ROOM

NRA Board elects Joe R. Lee president

The board of directors of the National Restaurant Association elected Joe R. Lee, executive vice president of General Mills Incorporated and president of the General Mills Restaurant Group, as its chairman of the board and president for the year beginning May 23, 1983. Lee, who replaces John G. Dankos, president of Dankos Enterprises in Richmond, VA, will serve a one-year term.

At General Mills, Lee oversees all restaurant operations within the restaurant group, including Red Lobster Inns, York Steak Houses, Casa Gallardo, Darryl's and the Good Earth. He also has responsibility for SigmaCon, a design and construction company, as well as for international restaurant expansion and restaurant research and development projects.

Lee joined Red Lobster in 1967 when the chain was just forming. He was a store manager at the first Red Lobster in Lakeland, FL.

Harris O. Machus, president and owner of Harris O. Machus Enterprises, Incorporated, in Birmingham, MI, was chosen to succeed Lee as NRA's new vice-president. An NRA board member since 1975, Machus most recently held the position of treasurer.

Harris O. Machus Enterprises has grown from a single pastry shop founded by Machus's father in 1933. Today it consists of three pastry shops, three cafeterias and eight full-service restaurants.

Theodore J. Balestreri, president and co-owner of the Sardine Factory in Monterey, CA, was named NRA's new treasurer. A member of the NRA board since 1979, Balestreri has distinguished himself as chairman of NRA's convention committee.

In addition to managing the Sardine Factory, Balestreri is president and cofounder of Butcher Shop, Inc. in Carmel, CA.

Newly-elected President Lee was honored during a grand banquet at the Hyatt Regency in Chicago on May 24, 1983.

At a press conference for the 1984 U.S. Culinary Team during the Show, NRA Past President John G. Dankos accepts a check for $25,000 from Lt. Gen. John D. McLaughlin, U.S. Army (retired), chairman and president of the L. J. Minor Corp. The Cleveland based firm, the first official sponsor of the team, will donate a total of $50,000 to promote the team and its activities.

Walter J. Conti wins 1983 gold plate

NRA Past President Walter J. Conti, owner and president of Conti Cross Keys Inn, Doylestown, PA, received the International Foodservice Manufacturers Association's (IFMA) prestigious Gold Plate Award at the annual Gold & Silver Plate awards banquet at the Conrad Hilton Hotel in Chicago on May 23, 1983.

Conti was one of eight contenders vying for the Gold Plate. The winner is chosen from IFMA's Silver Plate awardees and selected by a jury of foodservice trade press editors and past Silver Plate recipients.

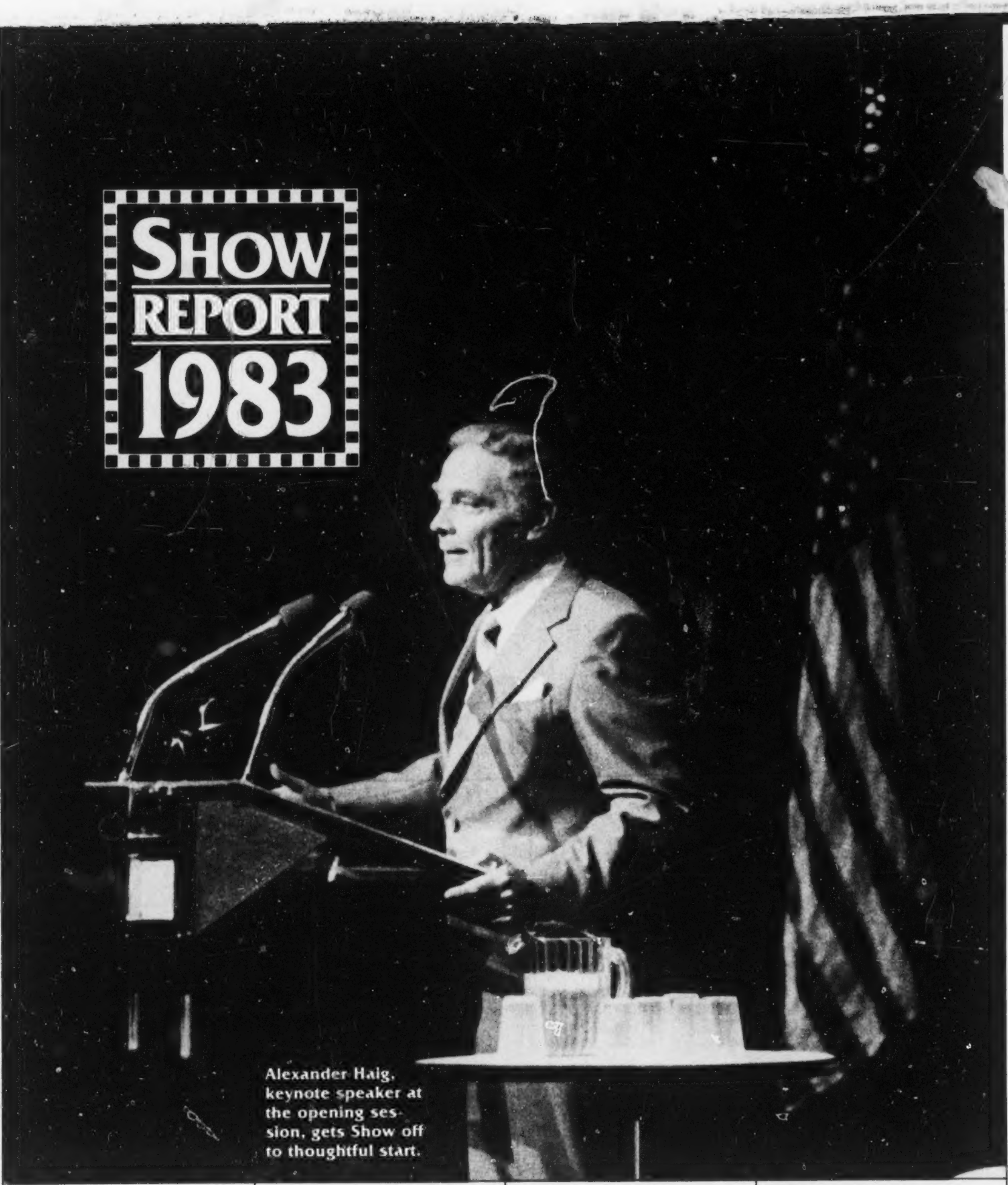
An important force in the foodservice industry, Conti is active in a number of professional organizations. He is past president of both the National Restaurant Association and the Pennsylvania Restaurant Association and currently sits on the board of both NRA and the Travel Industry Association of America. He is also president of the board of trustees of Pennsylvania State University and a member of the board of trustees of the National Institute for the Foodservice Industry.

NRA board names new directors

At its annual membership meeting on May 23, 1983 the NRA board elected the following new directors: Richard G. Marriott, group vice president-corporate, Marriott Corporation, Washington, DC; James H. Maynard, president, chief executive officer and chairman of the board, Golden Corral Corporation, Raleigh, NC; Thomas S. Monaghan, president and chairman of the board, Domino's Pizza, Inc., Ann Arbor, MI; S.J. "Bill" Monro, president, Pam Pam East Restaurant Enterprises, San Francisco, CA; W.W. "Biff" Naylor, owner, Naylor Brothers Restaurants, Inc., Los Angeles, CA; and Nancy Dini Sullivan, owner, Dini's Sea Grill, Boston, MA.

—Dorothy Dee

SHOW REPORT 1983



Alexander Haig, keynote speaker at the opening session, gets Show off to thoughtful start.

There was plenty to think about at the 64th annual National Restaurant Hotel-Motel Show. From the opening session to the last management clinic, the program of events was filled with ideas, innovations, suggestions and techniques.

At the opening day festivities outgoing NRA President and Chairman of the Board John Dankos emphasized the importance of hospitality, calling it the "cornerstone" of the foodservice industry. He also urged greater grassroots involvement in the political process and increased commitment to higher education in the industry. "The opportunities are there," Dankos exclaimed. "We must pass the word and open the door to young people."

General session speakers Alexander M. Haig, Jr., and *NBC Today* anchor Bryant Gumbel took the theme of social responsibility further as did former First Lady Betty Ford during the First Ladies Luncheon. Haig urged restaurateurs to endorse a foreign policy that is hospitable to traditional American values. Gumbel spoke of the challenges facing television. Ford dispelled common myths about alcoholism.

Closer to the day-to-day concerns of foodservice was the state-of-the-art know how evident on the Show floor, in the Great Menu Contest winner's showcase, in the kitchen design exposition and in the menus served during the Show meal functions.

Pushing the boundaries of foodservice beyond what is practiced were the Culinary Arts Salon and the Hot Food Competition. Reaffirming standards of excellence in all aspects of foodservice were the educational sessions, which looked at topics as different as the new American cuisine and how to train part-time employees, and NRA's new training program, called The Hospitality Project. This project, inaugurated during the Show, offers comprehensive outlines for customer service and is now being tested.

Making front page news was NRA's Board of Directors meeting which voted unanimously to support legislation to eliminate the inequities caused by the new tip reporting law.

But it was not all work during the five days of the Show. After rounds of the exhibit floor and hours in educational programs, Show participants took a little time out. Even the Show lineup for entertainment had something for everyone: a night of 60s tunes, including the popular group The Association; a jazz nostalgia night with Bill Snyder, Billy Eckstine and the Art Van Damme Quintet; and a Grand Banquet with country and western star Merle Haggard, accompanied by Leone Williams and The Strangers.

Merle Haggard entertains at banquet.

Betty Ford (right) admires gift presented to Theresa Dankos by Dale Lee, wife of NRA President Joe Lee.

Winning displays in the Culinary Arts Salon attract a great deal of interest.

Bryant Gumbel wins over the crowd with his witty remarks about communication.

88,368 people registered for the Show, making it the largest ever.

INDUSTRY TRENDS COME TO LIFE ON THE SHOW FLOOR

An infallible souffle.

An insulated, grease-proof bag.

Non-alcoholic beer.

Red and white checkered pasta buckets.

Weather-proof porcelain-on-steel tables.

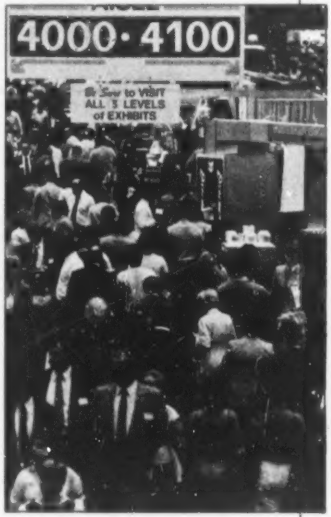
A clock that spells out time.

A 12-inch long egg.

These were some of the new products at this year's Show, which covered three floors of Chicago's McCormick Place. Other familiar products and services were given a new use, a new size, a better energy rating or were marketed to address some of the changing needs of consumers.

If you wondered how to meet the growing interest in nutrition, you would not walk away disappointed. There were low-calorie ice creams; sprout makers; orange juice squeezers; a braising pan that kept the fat off food; seafoods of every variety—from grain-fed catfish to Canadian smoked salmon; oil-less fryers; yogurts; blenders; food processors; nuts; cheeses; mesquite grills and representatives of fruit and vegetable associations, from asparagus to prunes, armed with recipes and serving suggestions.

Record crowds came to see, taste, smell, eat and discuss new products and services.


4000 · 4100
Be Sure to VISIT ALL 3 LEVELS of EXHIBITS

***NRA-TV Today* spots were filmed in exhibit booths. Here the focus is on Syracuse china.**

SYRACUSE CHINA

More than 65 countries were represented at the Show, including New Zealand.

The growing popularity of fish was evident on the Show floor.

Some chefs put all their savings in promoting their products, as did this inventor of the infallible souffle.

If, on the other hand, gourmet carry-out was your concern, there were pasta makers, pates, endless packaging possibilities, espresso makers made for the small operator and bakery-fresh pies prepared by the wife of a U.S. senator.

There were local American foods for American cuisine restaurants, Mexican booths to help satisfy the growing American appetite for south-of-the-border fare and cruvinets to make fine wines accessible by the glass.

But it wasn't only the new that you could find at the NRA Show. What you found depended on what you came for. The Show offered one-stop shopping. You could find several design services to bring a dream restaurant to life. Or the latest computer equipment to organize your finances. There were uniforms for your staff and china for the table. There were chairs, things to put on the walls, cooking equipment, butter dispensers, even schools ready to train your employees. In short, the Show had everything you could possibly need to open a restaurant or update an existing operation.

"'Great,' would not do justice to such a display of information," observes David Leventhal from Cecil's Delicatessen in St. Paul, MN. "After being in the delicatessen-restaurant business for over 20 years, I thought well, let's see what all this talk is about .... People in the restaurant business don't know what they are missing .... At the Show all the equipment of interest to me was available for my inspection. That's the way to purchase any equipment or new food product. I look forward to attending the Show next year not necessarily because I want to, but because I have to."

Soft
Soft
Soft
Soft
Soft
Flour
Flour
Flour
5¢ lb

Whether it's wine by the glass, ice cream, the latest in computer hardware or American regional specialties, marketplace trends came to life on the Show floor.

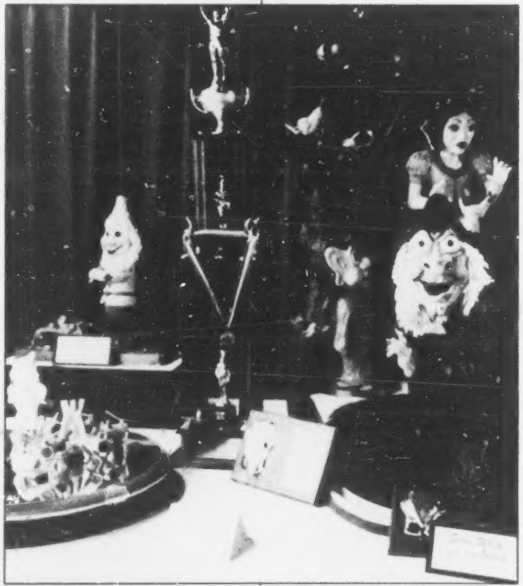
STRETCHING THE HORIZONS OF FOODSERVICE

Each year the Show offers operators more than state-of-the-art know how. It provides an opportunity to stretch the horizons of foodservice by introducing new techniques, recipes and methods of presentations in its cold food displays and hot food competition.

The annual Culinary Arts Salon shows operators what food will look like in the months to come. This year Show participants, with notebooks open and cameras cocked, examined storybook marizpan figurines, decorative breads and entrees composed with needlepoint precision. Overall, the cold food displays emphasized smaller portions and a careful blending of colors and shapes, continuing to focus on the entertainment side of dining out. Most of the entries were edible foodstuffs in realistic combinations. There were some notable exceptions, however, such as charred beaver in a pate stream.

The Hot Food Competition, on the other hand, was less a competition than a trial run. This year the U.S. Culinary Team experimented with dishes, under contest conditions, to narrow down its entries in the International Culinary Competition in 1984. As in actual meets, the dishes were rated by judges and served to the public.

With cameras cocked and all senses at attention, restaurateurs take notes on cold food displays and hot food preparation.



Playboy Hotel & Casino in Atlantic City, NJ, won the Grand Prize of the Entire Show with its grand buffet including a spice sculpture of snow white and the seven dwarfs.

Other special winners:

Best Piece of the Show:
The Drake Hotel
Most Original Piece of the Show:
The Drake Hotel
The Judges' Special Award:
Mark Erickson of U.S. Culinary Team

PRESIDENT LEE ANNOUNCES BOARD VOTE TO AMEND TIP REPORTING LAW

At a press conference during the NRA Show in Chicago, newly-elected NRA President Joe R. Lee announced the Board's decision to seek legislation which would amend the tip reporting provision in the Tax Equity and Fiscal Responsibility Act of 1982. The following is a transcript of his statement to the press.

"NRA believes that all citizens of this country, including waiters and waitresses, should pay taxes on their income in accordance with the law. But we also believe that the tip reporting legislation, passed last summer to ensure that servers do so, contains provisions which create inequities to the employee and the employer.

"For instance, the law requires allocation when total reported tips do not equal eight percent of gross sales. This means that employers are required to ascribe additional income to employees—income they may not have earned—so that it can be taxed.

"The law in effect requires management to guess at how much servers are making and to report these figures to IRS.

"How would you feel if the IRS required your neighbor to report his estimate of your income on your W-2 form, and then you had to prove that it was right or wrong? This allocation procedure is unjust to employees and employers alike. It has caused tremendous dissension among employees in many of our restaurants.

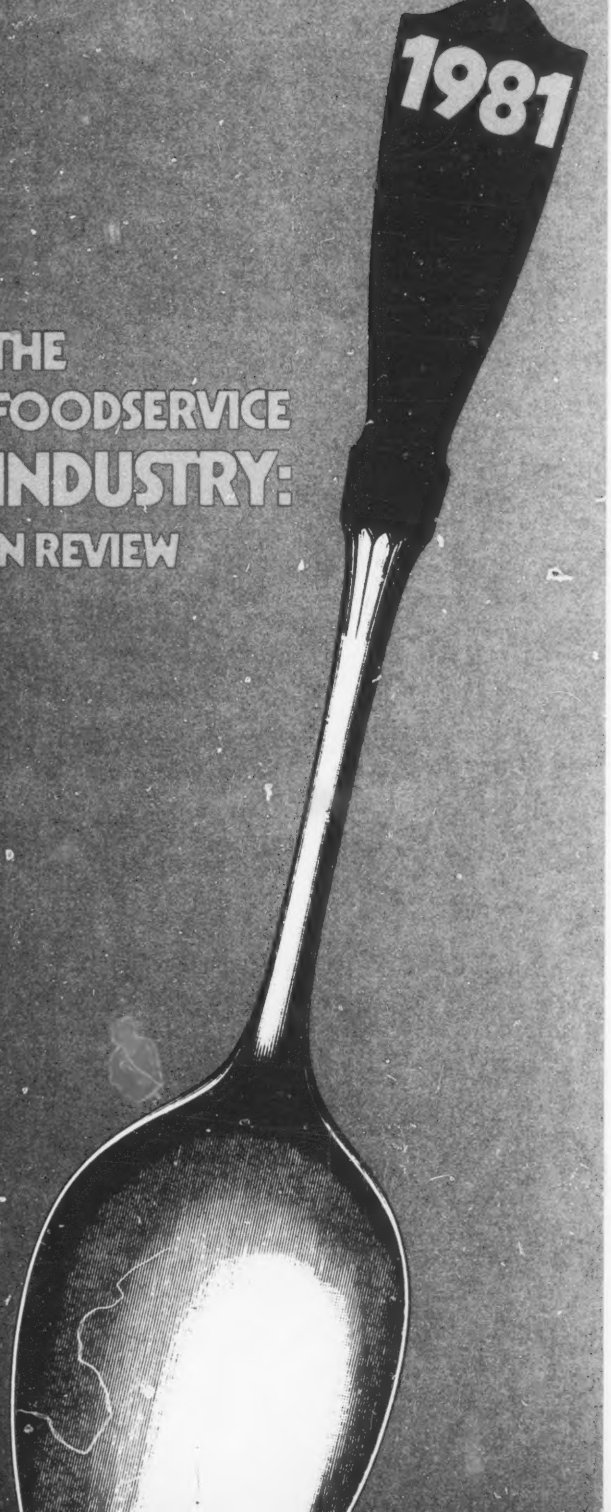
"Furthermore, tipping habits vary across this great land of ours. In some coffee shops, semi-self service operations, cafeterias, small restaurants in rural areas and the corner drugstore, people often leave dimes and quarters—far less than eight percent.

"The law says that operators of such restaurants may petition for reduction of that eight percent threshold down to five percent. But it provides no recourse to the thousands and thousands of servers who are tipped less than five percent. These people could be taxed for income they never received.

"Lastly, it's clear that Congress intended only large food and beverage establishments to be covered by this law. The Internal Revenue Service regulations, however, interpret the term 'establishment' to mean 'firm'. Three coffee shops with six employees each could come under this regulation if they are owned by one person or one corporation. That is clearly not the intent of Congress.

"I'd like to share with you what the NRA has been doing about this situation: We have been gathering information about the effects of this law on our members, and we have been in constant discussion with regulators. We ran 98 seminars on tip reporting in 41 states. Attendance at these seminars was heavier than any seminars we have given.

NRA President Joe Lee announces unanimous board decision to seek legislation to amend the tip reporting provision.



THE FOODSERVICE INDUSTRY: IN REVIEW

This is the 14th annual National Restaurant Association report on the size and scope of the foodservice industry. It constructs a statistical framework for analyzing growth rates and understanding the relative importance of various market segments. It compares 1981 sales data with 1980 sales performance and discusses the effects of economic forces and other factors on industry sales.

This is the second year this report examines foodservice sales and purchases for major markets, such as educational institutions, health care facilities and employee feeding programs. This is done to provide industry suppliers with the information they need to better serve the away-from-home market for meals and snacks.

When considering this report, please keep in mind that data are national in scope and do not show regional variations, which can be substantial. The report covers only a two-year period. Percent changes noted here are thus not necessarily indicative of long-term trends. Individual firms can and do deviate significantly from the average percent changes indicated throughout the report.

"During these seminars we learned firsthand about the dissension that had arisen between employees and employers when the operator of a restaurant was forced to play the role of an IRS agent in his own restaurant. We learned of the enormous new record-keeping problems, and we learned about employees who are facing tax liabilities for income they never received. We immediately contacted the Internal Revenue Service and the Senate Finance Committee, as well as other people in Washington, to try and correct these inequities.

"We then surveyed our membership to document and quantify the problems. Preliminary results of this survey are printed in the *NRA News*, and they indicate clearly that the tip reporting requirements have in fact created havoc in our industry.

"Several of our Board members met in early April with Sen. Robert Dole (R-KS), chairman of the Senate Finance Committee and architect of the tip reporting law. They explained the consequences of the law, and they asked for specific changes.

"On April 26, during a meeting with NRA Executive Vice President Bob Neville, Sen. Dole agreed to "explore the changes requested by NRA". His staff also noted that we needed an official response prior to our Board meeting in May. When the NRA Board met on May 22 it had received no official offer of changes.

"On May 22, the Board decided it would have to take its case to the people and to their representatives in Congress. The Board voted unanimously to seek congressional sponsorship for legislation which will amend the tip reporting provision of this law and eliminate the inequities which I have described.

"At the same time, the Board also directed NRA staff to continue negotiations with the Senate Finance Committee, the Internal Revenue Service and Senator Dole's office.

"Where do we go from here? We've had some indication that a meeting with Senator Dole will be arranged soon. We hope that within 30-45 days such a meeting will lead to an agreement that will ensure both that the inequities are eliminated and that taxes are paid.

"If this effort does not work, we will proceed to seek sponsorship in the House and Senate for an amendment to this legislation which will: (1) substitute reasonable reporting requirements for the current allocation procedure; (2) correct the inequity to those who earn below five percent in tips; and (3) correct the misinterpretation of the term 'establishment.'

"We have also directed the NRA staff to draw up plans for a massive grassroots effort to ensure passage of this legislation. I believe it will pass. If every foodservice employee in this country, every restaurant operator or owner, and every guest who has enjoyed the benefits of this great industry and cares about justice . . . if all these people speak out together, Congress will listen.

"We are aware that a struggle to amend this law may bring about reprisals. Some of our opponents may threaten us with even more damaging legislation. But NRA believes that this kind of reprisal is a threat to the right of the citizens of this country to seek redress through the legislative process. So we will fight any of these efforts as well.

"It is still possible that we could avoid this struggle. We would prefer to work with our legislators and the IRS rather than initiate a legislative battle. But one way or the other, the NRA Board is committed to eliminating the injustice that was created by the current tip reporting requirements."

"We are aware that the struggle to amend this law may bring about reprisals," cautioned Lee.

WHAT DO YOU SERVE THE TOP RESTAURATEURS IN THE COUNTRY?

How do you prepare a banquet and luncheons for the top restaurateurs in the country? With months of planning, creativity and testing. Janos Kiss, executive chef of the Hyatt Regency Chicago, let out all the stops for the Grand Banquet at the 1983 Show.

The banquet, planned to honor the incoming NRA President and Chairman of the Board Joe R. Lee, featured a six-course meal that began with marinated duck in grand marnier served with duck pate and tart gooseberry sauce and ended with a puff pastry filled with fresh raspberries and sauce anglaise. In between was a steamed salmon dish, served with vanilla and watercress sauces; followed by a campari sorbet to refresh the palate. Next came a veal chop with proscuitto and tomato butter (see recipe) and potatoes, zucchini and green beans served in a Chinese eggplant ring.

Tom Buehner, executive chef at the Marriott Hotel, was responsible for three luncheons—the Hennessy awards luncheon and the Most Valuable Promotion (MVP) luncheon, which served similar food, and the First Ladies luncheon.

The Hennessy and MVP luncheons featured a classic menu with the freshest of ingredients. The meal began with a salad featuring artichokes and hearts of palm with a French dressing that is a carefully guarded secret. Next came filet mignon, perfectly prepared, and steamed broccoli, carrots and tomatoes with wild rice, followed by strawberries and cream and a white mousse cup.

Much less traditional fare was served at the First Ladies Luncheon, given in honor of Theresa Dankos, wife of outgoing NRA President and Chairman John Dankos, and the other First Ladies of the NRA. The menu shunned heavy dishes in favor of light, attractively presented fare. It featured egg drop soup, twin tomato halves—one filled with shrimp salad, the other with curried chicken salad—chuntey, croissants and lemon ice with melba sauce.

Veal chop "Kiss"*

Serving: 1

7 oz. veal chop (milk fed)
1 oz. thinly-sliced proscuitto fresh basil and rosemary

Saute veal chop scoring outside, wrap in proscuitto and place in oven for 7 to 10 minutes at 350 degrees.

*Janos Kiss

Sauce

Tomato butter reduced with 1/2 cup white wine with shallots. Add a pinch of oregano, marjoram, garlic, salt, pepper and fresh tomato puree. Then add 1/2 cup heavy cream. Reduce until it coats spoon and add 1/2 tablespoon soft butter folded into sauce.

"It's a little more difficult to plan a menu for a group that is as specialized as restaurateurs," confesses Buehner. The answer, he claims, is to build on success and not to plan or prepare all new or unusual dishes.

FOOD FOR THOUGHT IN SHOW SEMINARS, THEATERS, CLINICS

"Excellent companies are marked by an absence of rules. They're marked by a presence of values you can sign up for," concluded Tom Peters, coauthor of the best-seller *In Search of Excellence*, in his theater program at the NRA Show. Peters shared his findings about management excellence, maintaining that people work best and hardest when they have pride in their work and want to produce well for a company they believe in. Such companies have managers who encourage employee creativity, stay in close touch with their staffs, are fanatics about quality control and use customer suggestions as ideas for innovations.

There was much to consider in the seminars, theaters and clinics.

Peters' session was one of nine theaters that ranged from the philosophically stimulating discussion of Mortimer Adler on six great ideas to the operational secrets of Chef Louis Szathmary.

Also popular were the 18 nuts and bolts presentations in the management clinics and the 15 indepth seminar programs. One of the standing-room-only clinics was the gourmet carryout shoptalk.

"Try hard to avoid the term gourmet," suggested Steve Poses of The Commissary in Philadelphia, PA. "Otherwise people will think of your carryout only for special occasions." Instead, Poses urges an emphasis on quality.

Zeus Goldberg of "The Woods" and "Out of the Woods" in New York, NY, agrees with Poses. He has modeled his carryout operation around himself as the quintessential customer. Presentation plays an important part in his success as does attention to providing items that stand up to being transported. All of his carry-out items are from his basic stock and include such specialties as black forest ham with brie and watercress on rye.

Many of the theaters and clinic presentations are available in cassette form and can be ordered from NRA's Chicago office at One IBM Plaza, Suite 2600, Chicago, IL 60601. A list of the available programs appears on page 30 of this year's *Exhibit Guide and Program.*

In addition, *NRA NEWS* will excerpt some of these sessions in upcoming issues.

NRA
NRA
McCormick Place On The La
NRA
NATIONAL RESTAURANT ASSOCIATION

Complementing the state of the art know how on the Show floor were several dozen educational programs that ranged from Mortimer Adler's philosophical presentations (left) to William Fisher's course on the effective executive interview.

MAIN COURSE RACE DONATES $13,450 TO U.S. CULINARY TEAM

The Main Course Race was another runaway success. It built up a feeling of fellowship and put $13,450 into the kitty for the U.S. Culinary Team for its participation in the International Culinary Competition in October 1984.

And it brought honors and prizes to more than 2,000 runners. Winning top honors in the men's and women's over-all divisions were two Chicagoans, Tom Fitzpatrick with a time of 31:18.37 and Barb Rasmussen, coming in at 39:19.2.

Taking top honors in the show attendee category was John Scott of VHMI, Inc. in Chicago, IL, who also took first place in the 19 and under age group. The top female was Joy Freederick of Bennigans in Dallas, TX, who placed second in the 20-29 age category.

Taking top honors in the exhibitor category were Gary Kingham of Doskocil in Hutchinson, KS, who also placed first in the 30-39 age category and Karen Bruson of MFG Tray Co. in Linesville, PA.

Random drawings were held for all runners, called the NRA "You Don't Have to Win to Win" awards. The top prize—won by Ron Thomas of Arlington Heights, IL, was round trip air fare and hotel in Hawaii, donated by IBT Corporation, the NRA Show's official travel agency.

Other awards included a week-end for two at the Chicago Hyatt Regency and the Chicago Marriott on Michigan Avenue, and dinners for two donated by Chicago area restaurants—Abacus, Danny's in Northfield, Don Roth's River Plaza, Fritz That's It! in Evanston, Geja's Cafe, George's, Johnathan's Seafood, King Crab, Lawrence of Oregano, the Holiday Inn O'Hare Kennedy, R.J. Grunts in Chicago and Glenview, Sharko's of Villa Park and Truffles.

The $5.95 registration fees were donated to the U.S. Culinary Team Foundation.

THE MAIN COURSE 10K RACE
SPONSORED BY THE NATIONAL RESTAURANT ASSOCIATION

In a metaphor for the Show itself, the Main Course race gave participants a chance to come out ahead of the competition.

3048
4004
4247
3351

THE MAIN COURSE FINISH
Perrier
Kellogg's
2297

TODAY'S IDEAS BUILD TOMORROW'S SALES

by Elyse Cuttler

Dancing men in crab leg costumes. Glow-in-the-dark lightsticks. A Christmas tree decorated with mittens. These were three winning restaurant promotions in the 10th annual Most Valuable Promotion Awards (MVP) competition established by the Pepsi-Cola Corporation and sponsored for the NRA. Here is a look at the winning ideas that were honored at this year's NRA Show.

The winners in this year's contest consisted of both single–unit operations and multi-unit enterprises. The reasons for starting these promotions ranged from a need to be recognized in the community to the desire to do something of public service.

In an effort to highlight crab legs on their menu, Sea Galley Stores, Inc., in Mountlake Terrace, WA, created an advertising campaign that was so successful it captured the public's imagination as well as the Grand MVP award—the top award in the MVP competition. (See editor's note.)

"We wanted the public to know one central fact—we've got crab legs—but at the same time the promotion had to stand out and register, be unique in some way," comments Don Shaw, advertising director.

To promote the "We've got crab legs" theme, Sea Galley developed a very memorable campaign. Three men, whose upper bodies were dressed in chefs uniforms and whose lower bodies sported crab legs and claws, appeared in ads, singing and dancing whimsically. "The idea succeeded beyond our wildest expectations," says Shaw. "Our crab leg chefs have been elevated to celebrity status."

According to Shaw, the idea for the crab legs promotion evolved through a lot of give and take between management and its outside advertising agency. "It was a combination of ideas, a real group effort," says Shaw.

"We wanted to rely heavily on TV for our advertising so the immediacy, impact and electricity of our promotion would not be lost," Shaw continues.

Sea Galley pretested this promotion in the Seattle market before the spot was introduced elsewhere. "When we realized that the public was very responsive to our crab leg chefs, we knew we had a success. The basis of a good promotion is not to quit if you have a good thing," Shaw concludes.

Free 72-ounce steak dinner to big eaters...

Another restaurant that has capitalized on an ad campaign that links a menu offering with the restaurants is the Big Texan Steak Ranch in Amarillo, TX. Because Amarillo is often called the beef capital of the world, Bob Lee, owner of the Big Texan Steak Ranch, developed a campaign to highlight his ample portions. Since 1965 he has offered a free 72-ounce steak dinner to any customer who eats the steak, plus a shrimp cocktail, baked potato, salad, roll and piece of pie in one hour. Each contestant must pay the $29.95 price before starting.

"It's great fun," reports Lee. "The whole restaurant gets into the act. Customers crowd around the table and cheer on the contestant. The event turns into a show." To date almost 4,000 72-ounce steak dinners have been given away.

According to Lee, almost everyone who comes to the restaurant is interested in the idea. This promotion has generated so much appeal that over the years *Womens Wear Daily*, *The Wall Street Journal* and *Playboy-Magazine* have mentioned the restaurant in one of their articles. In fact NBC's "Real People" filmed a segment at the restaurant.

Building short-term traffic to gain long-term customer loyalty is another approach to promotional campaigns that can be highly successful. This type of promotion—often tied into a popular event with a giveaway item—usually runs for a short time with the hope that once guests are in the door they will become regular customers.

Campaign builds on popularity of E.T. . . .

The triumph of last year's movie "E.T." prompted Pizza Hut, Inc., in Wichita, KS, to offer a series of E.T. glasses for 99 cents each with the purchase of any medium or large pan pizza. "E.T. was a tremendous vehicle for a promotion," explains Bud Gates, senior vice president of marketing. "It appealed to adults and children alike."

"When "E.T." became successful, we started that ball rolling. No other company was doing a promotion of this nature," says Gates, "and we went on our gut feeling without pretesting."

By the middle of October, the entire company was selling E.T. glasses. "We used all types of media to promote this event. The sales increases were very satisfying, and by the end of the promotion, in December, 13 million glasses were sold," explains Gates.

"The promotion was a success because E.T. was a big idea," admits Gates. "I would definitely repeat this promotion if I could, but an event with such widespread appeal is very rare."

Mash night draws customers...

The TV series "Mash" was the focus of another promotion with a popular tie-in. Every Tuesday for four

"We wanted the public to know one central fact—we've got crab legs." . . . comments Sea-Galley's Don Shaw about the MVP winning promotion."

Christian Swensen
MR. KING CRAB

David Silverman
MR. SNOW CRAB

MR. DUNGENESS CRAB

months was "Mash" night at the Holiday Inn in Wilmington, NC. Employees wore 4077 T-shirts and fatigues. The bartenders also wore surgical masks and displayed I.V. bottles filled with grenadine to resemble blood. Customers were able to compete in Hot Lips, Hawkeye and Klinger look-alike contests with cash prizes awarded to the winners.

"We are very promotion oriented," says Gregg Adams, general manager. "People definitely like coming to a restaurant for a special event. They enjoy themselves, and I know they will come back."

Cashing in on breakfast...

Hardee's Franchise Enterprises in Rocky Mount, NC, took a different approach to building traffic. It created a promotion to capture some of the growing breakfast market and to build recognition for other meal periods as well.

The promotion, called the "Magic Mug Coffee Club," offered patrons free coffee refills at breakfast, lunch and dinner with the purchase of a coffee mug at $1.39. The promotion ran from January 1 to March 31.

According to Wayne Newnam, director of marketing, the mug concept was used as a vehicle to get people to return to Hardees every morning for breakfast. "Our intention was to create an atmosphere where customers would think of Hardees as *the* place to go for breakfast."

"Down south," Newnam continues, "most people have a special place to go for breakfast, a place where they can get together and talk. The coffee club promotion built on that. Many people kept the mugs on the dashboards of their cars and were reminded of Hardees every time they went for a drive."

Quality breakfast ingredients...

Another promotion also focused on building breakfast traffic but it took a different approach. It emphasized the quality of the ingredients.

To set themselves apart from other fast service establishments, Rax Restaurants, Inc. of Columbus, OH, decided to introduce its breakfast menu with a "Famous Name Breakfast" campaign. The campaign announced that only name brands, such as Aunt Jemima pancakes, Thomas' English muffins were used, because these products are high quality items. "Why pay the same price for breakfast elsewhere," the ad said, "when you can get something better at Rax?"

"The response was tremendous," explains Karl Martinez, vice president of marketing. "People were curious about what we were doing. And that's the key. A successful promotion must have some uniqueness."

Safety for children...

Holidays are the most popular times of the year to sponsor promotions. These promotions are often designed to contribute to the community, and they foster a good feeling that lingers long after the promotion is over. Often successful holiday promotions are repeated from one year to the next.

Mr. Fables Systems, a 13-unit family coffee shop in Grand Rapids, MI, created a Halloween promotion to advocate child safety on Halloween night.

According to Robert Roggow, executive vice president and general manager, a lot of coordination and brainstorming sessions were involved in the initial planning stages. "We talked about what type of promotions the company wanted to get involved in, and the unanimous decision was public service," he confides. "We were concerned about the negative publicity that Halloween was getting. So we developed a safety theme."

The units advertised a free Halloween safety lightstick with the purchase of a children's platter. The lightstick is a safe, non-toxic, non-flammable tube that emits a bright green glow in the dark, making it possible for motorists and others to see children.

When Mr. Fables Systems, Inc. devised its lightstick promotion, they had no idea that it would catch on so quickly. "We decided to advertise on three local TV stations, as well as in-store and in the local newspapers," says Roggow, "but the lightsticks were going so fast we had to pull the TV spots and just advertise in-store with table tents. The promotion turned out to be a wonderful success. It's already scheduled for next year."

Swapping a toy for a glass of wine...

Capitalizing on the Christmas holiday season, the By-the-Square Restaurant, located in the Chancellor Hotel in San Francisco, CA, decided to repeat its successful toys-for-tots promotion. During the month of December, guests received a free glass of wine if they brought a toy to put under the Christmas tree in the lobby.

"We received hundreds of toys. One guest even brought in a bicycle," recalls Richard Shaw, hotel manager. "When children are involved, the response and generosity are tremendous." All the donated toys were distributed by a group of area Marines to nearby community organizations. Shaw adds that he has already made the arrangements for a similar promotion this year.

A mitten tree...

Wendy's NE Ohio Co–op achieved similar results with its mitten tree promotion. Customers were asked to give a pair of mittens to needy youngsters for the holiday season. Each customer that hung a pair of mittens on the tree received a free regular order of french fries as a token of appreciation. Eighty-two Wendy's units participated in the program.

"This type of promotion—one that involves the community—is something that Wendy's believes in," maintains Nancy Frank, sales promotion director of Stern Advertising, Wendy's advertising agency. "We collected thousands of pairs of mittens, and most customers didn't even want the order of fries. They were just happy to do something nice to contribute to community goodwill," Frank explains.

A holiday happening...

When John White, owner of the Rustic Timbers Restaurant and Lounge in Sibley, IA, first came to town, he needed a way to introduce his restaurant to the local community. "It's difficult to break into a small town," claims White. "We wanted to try promotions that would bring us closer to the town."

White thought that the holiday season would be an excellent time to begin, and he developed a three-part campaign, called The Holiday Happenings promotion. The first part promoted shopping in downtown Sibley for Christmas gifts. While potential customers were in the area, White hoped they would take advantage of the second part of his campaign for 50 percent off on the second meal at his restaurant. The third part of the Holi-

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day Happenings promotion was broader in focus. It consisted of a toys-for-tots program, featuring Santa Claus for the children; a gift certificate program which enabled patrons to give the gift of a meal or meals at the Rustic Timbers; and a friendship tree, a Christmas tree that was decorated by people in the town.

"I am a Christmas fanatic," White claims. "I was happy to foster the spirit of the holiday, and the whole town was very responsive."

Special award to Hilton International...

For the first time in the history of the MVP competition, Hilton International hotels in five cities—Athens, Khartoum, Sydney, Tampa and Montreal—were singled out for one collective award. The Hilton restaurant promotions in these cities saluted the indigenous culinary heritage as well as the cultural traditions of various other countries.

According to Fred Rufe, director of food and beverage planning and development, Hilton International feels very strongly about restaurant promotions. "Every one of our hotels around the world has a promotions handbook which lists promotions for the calendar year. The hotels can also use a microfiche system of visual aids," Rufe explains.

The microfiche system is developed by Hilton International's Food Research Center in New York City and includes 4,000 entries from asparagus to zucchini. If, for example, a property wants to do an asparagus promotion, they can look up asparagus on the microfiche and be provided with recipes and promotion ideas. "The microfiche provides a uniformity to our promotions," says Rufe. "A Hilton International in Paris will carry out an asparagus or any other promotion the same way as a Hilton in Athens."

Promotions are not haphazard...

This year's MVP winners put a lot of time, energy and money into their promotional campaigns. The events were well thought-out and thoroughly planned. They succeeded because they brought in customers and, as Robert Roggow of Mr. Fables Systems says, "That's the bottom line."

Editor's note: *The criteria used in judging the MVP competition are originality and creativity of idea; quality of execution and achievement of pre-established, measurable objectives. Participants submitted detailed descriptions of their promotions, along with support materials used, such as point-of-purchase materials, television and radio commercials, premium samples, posters and photographs.*

The entries were in five separate divisions. The first three divisions were determined by restaurant size: one to 30 units, 30 to 100 units and 101-plus units. The fourth division was for institutional entries, and the fifth was comprised of hotels, motels, theaters and sports arenas. Judges selected a maximum of three winners from each category. These winners then became MVP category winners and qualified for the top award—the Grand MVP.

THE JUDGES 1983 Most Valuable Promotion Awards

Charles F. Adams

Executive vice president, American Association of Advertising Agencies . . . author of the widely acclaimed textbook, *Common Sense in Advertising*.

William P. Fisher

Group vice president, Administration with Service Systems Corporation in Buffalo, NY . . . Executive vice president of the National Restaurant Association from 1972 to 1977 . . . author of *Fisher's Laws: The Thinker's Guide to Management Action*.

Louis J. Haugh

Managing director and one of four principals who founded the Westport (CT) Marketing Group five years ago . . . formerly senior editor for *Advertising Age* . . . still a regular columnist on promotion trends for *Adst Age*.

Jeanette Riechers

Editor, *Independent Restaurants* . . . past president of the International Food Service Editorial Council.

David D. Seltz

Author of 10 books on sales, promotions, marketing and franchises . . . an international authority and featured speaker at marketing seminars around the world.

★INCENTIVES:★

Building Profits Hand in Hand

Increased employee motivation equals higher profits. This equation is no secret to restaurateurs, although some are just discovering that a salary alone is not enough to motivate their staff. Employees want to be noticed, appreciated and made to feel that they make a difference to the company's success. One way to show appreciation is through an employee incentive program.

Employee incentive programs are as varied as the operations themselves. The plan depends on the operator: what he wants to achieve, what will motivate his employees and what he can afford to offer.

Incentives can range from such tangible items as money, trips, company cars, time off and profit sharing to more intangible items such as attending seminars or recognition during a staff meeting.

Incentive programs can be store wide or geared to specific employees, such as wait people or managers. They can be conducted in single units or in nationwide chains. The purpose of incentive programs can also vary. It can be as general as reducing turnover, improving sanitation procedures and increasing check size or as specific as selling more wine.

A look at some incentive programs. . .

Although there are common ingredients in every successful program, the incentivies can vary dramatically, as you will see below.

☆ Ron's Krispy Fried Chicken in Houston, TX, developed an incentive program *to retain its managers*. After five years of service, all managers receive a brand new company car worth up to $12,000.

This may seem like a rather generous incentive, but Thomas K. Dressen, senior vice president of finance, explains the rationale: "Turnover is a major problem in the fast food industry. Our company is small, so we can't provide many growth opportunities. What we can do is give our managers the prestige of a company car to let them know how much we value five years of service. We estimate that because of a new manager's inefficiency we lose about five percent of our operating costs during the first six to 12 months. It takes that long for the new manager to become comfortable with our operation. We figure the cost of the car as a one-year payback. If the manager stays longer than one more year, we're way ahead of the ball game."

☆ Walz Management, a two-unit Wendy's franchisee in Sebring, FL, *increased sales* by $6,650 by implementing an employee incentive program. The cost of the program was $800.

Over an eight-week period, employees were given discount coupons imprinted with their names to hand out to potential customers anywhere outside the restaurant. For each redeemed coupon, the employee earned 10 Wendy dollars. Superior work, like suggestive selling, good teamwork or top-notch sanitation procedures, also brought Wendy's dollars.

When the program ended, the person with the most redeemed coupons earned a black and white TV. However all participants were treated to a steak dinner and took part in an auction where Wendy dollars purchased such items as walkman radios, hot curlers, fishing poles and even a water bed.

☆ Dave Beck, NRA board member and owner of Westward Ho Cafeteria Division in Dayton, OH, offers a package of incentives to his employees to reduce turnover. The package includes a profit-sharing plan.

The plan was started in 1969 with a $5,000 commitment. Last year Beck put $40,000 into the pot. Of Westward Ho's 80 employees, about one-third qualify for profit-sharing benefits. This means that they have been with the company at least one year, are 21 years old and have worked 1,000 hours over the course of the year. Dividends are a percentage of an employee's salary; whenever possible, Beck awards the legal limit of 15 percent of the annual salary.

According to Beck, the average shareholder has about $15,000 in his or her account. Some have as much as $25,000 or $30,000, depending on how long they have been with the company. These accounts are invested in secure ventures like government securities, and they are earning interest. Last year, the fund's investments earned 15 percent interest.

"Profit-sharing and our other programs such as new cars for managers, a getaway condominium, appreciation pins and complimentary baseball tickets let our people know how much they mean to us," says Beck. "I am very proud that our three managers started with us as high school kids and have been with us 16, 11 and 7 years, respectively. I believe our programs do a lot to curtail turnover. When someone thinks about leaving, they consider what they have here and what they might get elsewhere. Then staying looks very good."

There's more than one way to reach a goal. . .

A number of restaurants have developed incentive programs to build wine sales. Here's a look at three approaches to illustrate the different ways to accomplish a similar goal.

☆ Wait staff at the Hotel del Coronado in San Diego, CA, are given redeemable coupons for the wine they sell in the hotel's Crown Room Restaurant. Each half bottle sold is worth 20 cents, and each full bottle of wine sold is worth 40 cents. At closing time, the cashier redeems these coupons. The dining room manager tracks the wine sales each night and at the end of a month awards a dinner for two in the restaurant to the person with the greatest number of wine sales.

☆ Mike Safdinh, owner of the Black Sheep Restaurant in New York, NY, says he had a 25 percent increase in wine sales when he offered $100 to the person on his staff who sold the most wine in a one-month period. "I did this promotion three times during the year. It cost me $675 for the prize money and the clerical work involved in keeping the records. This program gave my workers a reason to learn how to sell more wine and, therefore, they were much more receptive to my merchandising suggestions. Part of the program's appeal—winning $100—is gone when the contest ends, but the knowledge remains forever. They taught themselves to be better wine merchants. That helps me and it helps them," maintains Safdinh.

☆ Joe Hoggard, owner of Ship's Cabin, Norfolk, VA, took a different approach to building wine sales. He awarded a trip to a three-day wine seminar at the Homestead Resort in Hot Springs, VA, to the two people who sold the most wine during a two-month period.

"We thought this wine seminar would be an excellent incentive," explains Hoggard. "The employees would valued the educational opportunity, and the restaurant would benefit from their attendance. It cost us about $700 to implement the program, but wine sales increased about $1,200. The knowledge our wait people received can't be counted."

Programs without prizes...

An incentive program doesn't always mean a tangible award. It can be a system of feedback and reinforcement. One large hotel increased its prime rib and dessert sales by a system of tally sheets. The department manager had all wait staff keep their own personal tally sheets. The manager kept individual graphs on the number of desserts and prime ribs sold per wait person per day. The graphs were reviewed at weekly staff meetings, and verbal recognition was provided.

Within a three-week period, prime ribs as a percent of total dinners increased from 13.6 percent to 18.5 percent. Desserts sales increased from 15.7 percent to 18.0 percent. The average check increased by 10 percent.

What makes an incentive program successful?...

A good incentive program considers the people who will be participating and what is likely to motivate them. This insures that the staff will support the program. Other pointers to consider:

1. **Develop a plan.** Decide what you want to accomplish and think about how it can best be achieved. Don't enter into any program without set guidelines for yourself and your employees.
2. **Set specific goals.** Decide on a specific goal for your incentive program. Avoid vagueness. For example, tell your staff you want each person served within 10 minutes, not that you want faster customer service. Or you can say that you want dessert sales to increase by 20 percent, not that you want more dessert sales.

20 incentive ideas

1 Offer profit sharing to full-time employees after 12 months of employment.

2 Award a cash bonus to the person who sells the most dinners/drinks per month or to managers who cut costs or who earn high marks on surprise sanitation inspections.

3 Lease cars for company managers after a set period of service.

4 Consider a paid trip to a wine seminar for the person with the highest wine sales in a given period of time or a management training course for the manager with the most productive work unit.

5 Award a free hot fudge sundae/Irish coffee/gin and tonic to the person who sells the most sundaes/drinks in an evening.

6 Award cash payouts for each half bottle and each full bottle of wine sold each evening. One restaurateur pays 20 cents for each half bottle and 40 cents for each full bottle sold.

7 Provide dinner for two in your restaurant for the person with the highest overall/dessert/prime rib/beverage, etc. sales for the month.

8 Name the best dessert/drink idea after the employee who invents it, ie., Susie's sundae or David's daiquiri.

9 Award one-day pay to employees who have perfect attendance for six months and three-days pay to those with perfect attendance for a year.

10 Provide customers with "thank you" coupons or chips to be given to employees who are particularly hospitable. Employees who receive a ticket can redeem it for a quarter. At the end of the month, you can give the person who received the most coupons or chips two complimentary tickets to the movies.

11 Once a year, award a weekend for two to New York, San Francisco, New Orleans, Boston, Chicago, etc. to the person with the most sales on a single shift. The advantage of this method is that employees will try to beat their own records.

12 Name one employee "employee of the month" and award dinner for two in your restaurant. Employees of the month can be runner-ups for "employee of the year." The employee of the year can receive a cash award and plaque.

13 Plan company get-togethers, such as picnics and parties, to demonstrate your appreciation to your workers.

14 Provide occasional sporting and cultural event tickets to your staff, using a lottery system.

15 Award preferential scheduling to persons with perfect attendance for a month.

16 Praise a worker for outstanding performance in front of peers.

17 Write letters to those employees who aren't excited about their jobs telling them how important you think they are.

18 Award a bonus to the employee who comes up with a cost-saving idea for your operation. The bonus should be based on a percentage of savings.

19 Do something for your employees on their birthday: bake a cake, give them the day off with pay or send flowers.

20 Plan a party for those employees who have been with your operation for 5, 10, 15, 20, 25 years. Give them a cash award or present.

3. **Keep your workers in the know.** Inform the staff of your plans. Let them know what you want to achieve, how they can help, what time frame they have to work within and what the reward will be. Explain how each person will be monitored, but be sure to encourage team effort. The better that one person succeeds, the better the team succeeds.
4. **Provide the means to carry out the program.** Managers should be briefed about the program and how they can help the rest of the staff implement it. Forms should also be provided to accurately record and monitor performance.

   Arm your staff with the information they need to carry out the plan. For example, when the goal is to increase dessert sales by 11 percent, the wait staff should know the ingredients in your desserts. They also should taste the desserts so they can convincingly describe them to customers. Don't forget to provide aids, such as table tents.
5. **Give reinforcement.** Provide reinforcement whenever possible and no matter how small the improvement. Keep records near the employees' work areas for frequent discussion. Translate performance records into graphs, charts and other visual materials for easy tracking. Don't forget to reinforce your ace performers. Often some of these people are ignored because managers feel that they "know that they are appreciated." Everyone needs to hear expressions of appreciation and encouragement. If your staff falls short of the goal, be sure to commend them for the effort and encourage them to try again.
6. **Celebrate when the program ends.** The end of the employee incentive program is the perfect time for a celebration. Your workers have been making an extra effort. As a result, they have been experiencing enhanced feelings of self-worth and increased commitment to your goals. Even if you come short of your set goals, celebrate! This will be an incentive for future program participation. Long-range programs might even warrant a small celebration at the midway point to keep up the momentum.
7. **Study the program's results.** Make the most use of the program by analyzing its results. Were the goals achieved? If so, by what margin? Were there any problems during the program? If so, how were these problems dealt with? How can problems be avoided in the future? Was the program a success? Is the program worth repeating? Should it be changed? Be sure to get staff feedback.

Planning methods pay off...

Bima Corporation, a 13-unit Taco Bell franchise, is a good example of how effective an incentive program can be. The corporation sought to reduce labor costs with an incentive program for its managers. Managers were paid $7 for each day their actual labor cost was less than the planned cost. Within five weeks, the company's labor cost was reduced from 19.5 percent to 18 percent. By the end of the year, this translated into a $62,000 savings. The payout was $16,000, about half the maximum possible under the program.

Bima Corporation's extraordinary 200 percent return on investment was possible because the company followed the planning and organization methods vital to any successful incentive program. They zeroed in on their goal to cut labor costs. They developed a plan that correlated sales patterns with staffing. They gave managers the means to carry out the program by scheduling feedback forms to track planned and actual labor costs. And they gave the motivation: $7 cash incentive payments.

Separate bonus checks were given to the managers every two weeks along with their regular paychecks so they could see exactly what their extra effort yielded them.

William Campbell, president of Bima Corporation, boasts that in addition to the savings, "We didn't lose one manager in the 18 months after we put the program in use. And that's saying something."

Despite its success, this incentive program is no longer used at Bima because, as Campbell explains, "It ran its course with us, so we are now offering incentives for other things." It's important to keep this in mind. A program, no matter how successful, will not last forever. You need to plan other programs to keep your staff motivated. Is the effort worth it? All operators interviewed for this article agree enthusiastically that it is.

—Carol Caprione

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Crank up your freezers for ICE CREAM

During Columbia's fourth mission into space on June 28, 1982, astronauts Ken Mattingly and Hank Hartsfield ate heaping portions of ice cream while watching the world go by. They were expressing, what millions of Americans know from experience, that ice cream is a natural for a special occasion.

Already a favorite with 86 percent of the households in the country, ice cream is getting a special boost this July from the International Association of Ice Cream Manufacturers (IAICM), a Washington-based trade association representing manufacturers of ice cream and related products. In its campaign, "Ice Cream for America," the association will promote ice cream.

You may want to consider building on the increased awareness created by the campaign by adding ice cream to your menu, experimenting with fanciful presentations or using the "Ice Cream for America" promotion as a basis for your own merchandising. For further information, contact Dawn M. Brydon at IAICM, 910 17th St., N.W., Washington, DC 20006; (202) 296-4250.

Marketing opportunities...

Has the market been saturated for restaurants? Definitely not. Although Americans eat at least three billion quarts of ice cream a year (or roughly about 15 quarts of ice cream per person), 80 percent of the consumed ice cream comes from supermarkets, grocery stores and convenience stores—not from restaurants. Here are some ideas for building ice cream sales.

- **Offer all natural, high butterfat ice cream products with fresh, quality ingredients.** Consumers have developed an interest in quality ice cream—evident by increasing sales for high-ticket ice cream such as Haagen-Daz. Restaurateurs who have introduced this type of ice cream also report success. Steve's Homemade in Atlanta, GA—the winner of two awards for the best ice cream in Atlanta in as many years—says that "there's no secret or magic formula to making great ice cream. I use only the freshest ingredients; the best quality chocolates, nuts and fruit; and I never add anything artificial."
- **Experiment with innovative flavorings.** For example, Big Alice's in Providence, RI, features more than 150 flavors, including such exotic offerings, as Viennese coffee, avocado and ginger.
- **Take advantage of regional and local specialities when considering new ice cream flavorings.** For example, at the Red Fox Inn in Middleburg, VA, the pastry chefs create an enormously popular apple butter ice cream. Apples and apple butter have long been famous in Middleburg and so the signature ice cream is a natural for the area.
- **Remember that ice cream is a perishable product and treat it accordingly.** If exposed to fluctuating temperatures above 10°F., ice cream becomes subject to adverse changes in body, texture and flavor characteristics, such as ice crystal lumps. Ice cream is best stored covered between −5°F. and 0°F. and served between 6°F. and 10°F. when it is firm enough to hold its shape but easy enough to dip. Uncovered ice cream can pick up odors.

Presentations can be fun...

With the serving basics mastered, how the product is presented can be both fun and challenging. As a meal-ender, it can be served as a parfait with chocolate syrup and whipped cream; on pies, brownies, cakes or fresh fruit; as part of a shortcake or simply by itself.

The Cony Island of Washington, DC, has found a way to turn serving ice cream into entertainment. It makes its waffle-like cones in full view of the customers. "They are really super holders for ice cream," boasts co-owner Mark Bautista, "and because of their size, you eat the ice cream out of the cones with a spoon. The great thing about making our own cones is that we can flavor them. We use rum, cinnamon, maple, lemon, pineapple. There are endless possibilities."

A children's menu or a family restaurant is ready made for serving ice cream with flair. It can feature the classic ice cream cone upside down on a scoop of ice cream, adorned with a gum drop clown's face; ice cream smores or sandwiches using cookies, graham crackers and marshmallow sauce that are fun for children to make; or ice cream served in special promotion glasses or mugs or with a yo-yo, top or other toy.

Holidays lend themselves to ice cream, too, whether it's a mint chocolate chip float for St. Patrick's Day or a Santa Claus ice cream cake for Christmas. Ice cream birthday cakes are also popular. But if there is no special occasion, invent one.

According to NRA's *Pro-Motion* newsletter, you can "sponsor an ice cream festival, complete with an all-you-can-eat special, an ice cream-eating contest, a prize for the most original recipe for an ice cream sundae, or a "you name it" ice cream taste-testing contest in which the customers have to name the flavor or flavor mix of five different ice creams."

With little additional cost or labor, you can begin to take advantage of ice cream as a super selling dessert. Ice cream *can* mean big profits for you.

5 ice cream facts

- More ice cream is consumed on Sunday than any other day, with eatings in general higher on the weekends.
- Less ice cream is consumed on Tuesday than any other day.
- The top six flavors of ice cream are, in order of rank, vanilla/French vanilla, chocolate, chocolate chip, fudge ripple, neopolitan and strawberry.
- More ice cream is eaten by children, teens and adults 45 years and older than by adults in their twenties and thirties.
- Ice cream eating increases with income and education.

THE FOODSERVICE INDUSTRY: 1981

IN REVIEW

Highlights

- *Foodservice industry sales* totaled $125.1 billion in 1981, up 9.1 percent from $114.6 billion recorded in 1980. Real sales (when adjusted for inflation) rose 0.5 percent—a small, but positive, return to real growth—reversing a two-year negative trend. NRA anticipates real growth will continue to improve for the next three years.

- The *proportion of the food dollar spent on food away from home* also experienced an upswing and reversed a pattern of decline since 1978. In 1981, consumers allocated 36.2 percent of their food dollar to meals prepared outside the home—slightly more than they spent in 1980—36.0 percent.

- *Consumer traffic* rose substantially in the spring and summer quarters of 1981—up 5.3 percent and 5.6 percent, respectively.

- For the third consecutive year, *menu prices* advanced at a faster pace than grocery store food prices—9.0 percent versus 7.3 percent.

- Food and drink sales in the *Commercial Feeding Group* reached $105.8 billion in 1981, up 9.5 percent from $96.6 billion in 1980. After adjusting for inflation, real sales rose only slightly—0.6 percent.

- *Eating place sales* reached $74.7 billion in 1981, a 10.3-percent increase over the prior year. Inflation-adjusted sales advanced 1.3 percent, compared with a one percent drop in real sales in 1980.

- *Limited menu (fast food) restaurants* had the largest sales gain among eating places in 1981—12.3 percent. This category also experienced the strongest real sales growth in the eating place sector—3.3 percent. This is well above 1980's slight 0.2 percent growth in real sales.

- Food and drink sales at *restaurants and lunchrooms*—establishments offering tableservice—reached $39.3 billion in 1981. Although this represents a 9.1 percent increase over sales in 1980, real sales growth (adjusted for inflation) advanced only slightly—0.2 percent. However, this is an improvement over the 1.7 percent decline in real sales posted in 1980.

- *Limited menu (fast food restaurants)* recorded the largest sales gain in the foodservice industry in 1981. Other segments which performed well include drive-in movies, grocery store restaurants, foodservice contractors at colleges and universities, and officers, and NCO clubs.

- *Institutional Feeding Group* sales reached $18.7 billion in 1981, up 6.9 percent from $17.5 billion in 1980. Inflation-adjusted sales for this group rose 0.5 percent, somewhat lower than the 2.0 percent increase recorded one year prior.

- *Military feeding* food and drink sales rose 8.5 percent in 1981, totaling $664 million. This compares with a slightly stronger 10.4 percent increase posted in 1980.

The statistical information and analysis presented here were prepared in consultation with the research firm of Malcolm M. Knapp, Inc.

Real sales up...

Foodservice industry sales totaled $125.1 billion in 1981, a 9.1 percent increase over 1980's $114.6 billion. Real sales (adjusted for inflation) rose 0.5 percent versus real sales declines in the prior two years. Inflation-adjusted sales were down 0.6 percent in 1980 and 0.5 percent in 1979. Although real sales for the industry did increase, the gain was less than the real gain in Gross National Product (GNP) (up 1.9 percent), personal consumption expenditures (up 1.8 percent) and disposable personal income (up 2.4 percent).

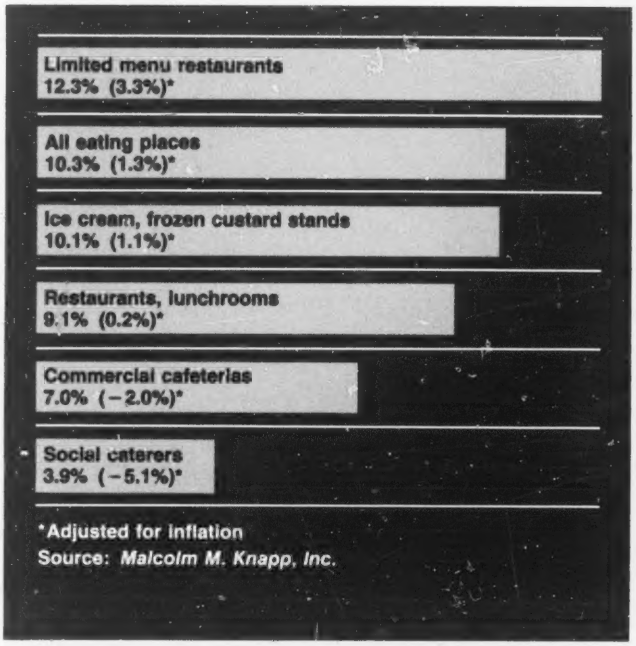
The Commercial Feeding Group experienced real sales growth of 0.6 percent in 1980 compared with a one percent decline in 1980. The Institional Feeding Group experienced similar real growth—up 0.5 percent. However, inflation adjusted sales for institutional feeders rose considerably faster in 1980—two percent. This industry group suffered declining populations in two key segments—employee feeding and primary and secondary school feeding.

Inflation continued to rise at a double digit rate in 1981, although the rate of increase moderated. In addition, the general economy experienced only a slight improvement after the 1980 recession. These two factors contributed to the very slight improvement in foodservice industry sales. Inflation, as measured by the Consumer Price Index (CPI), rose 10.4 percent, down substantially from increases of 13.5 percent in 1980 and 11.3 percent in 1979. Unemployment continued to be a problem in 1981 as it had been in 1980 The unemployment rate averaged 7.6 percent in 1981, up from an already high 7.1 percent the year before. On the brighter side, real GNP was up 1.9 percent in 1981 versus a drop of 0.2 percent in 1980, and inflation adjusted disposable personal income rose 2.4 percent compared with a very slight increase of 0.7 percent the year earlier.

Consumers continued to feel constricted by the economy. After three consecutive years of double digit inflation, they had a hard time maintaining their standard of living and, consequently, they had little urge to increase their spending for goods and services. As a result, there was only a slight increase in discretionary spending.

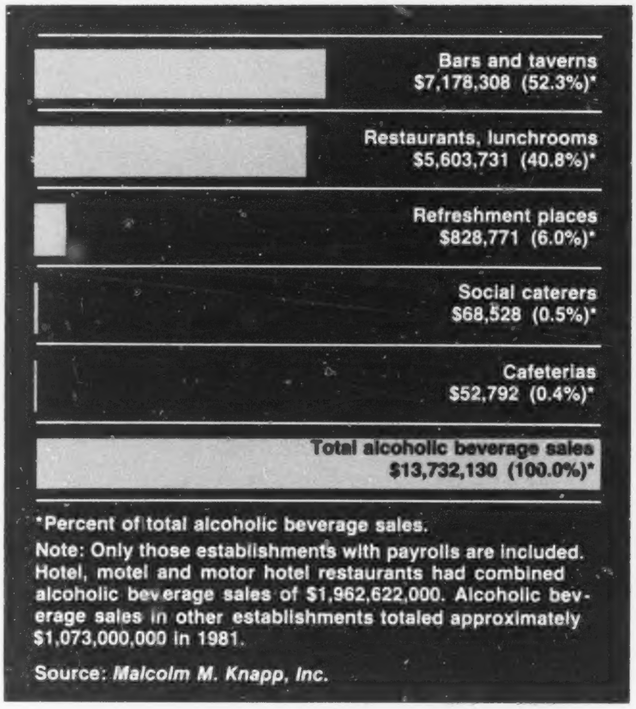
Customer traffic at the nation's restaurants was uneven. Although traffic was up 1.7 percent for the CREST year December 1980 through November 1981, the quarter by quarter performance varied considerably. Patron counts in January and February were down substantially from the year before. An extremely cold winter in many parts of the country and continued uncertainty about the economy dampened restaurant traffic and sales. The spring and summer quarters showed marked improvement. Customer counts were up more than five percent over 1980, and many believed the industry was on its way to continued recovery. However, in the fall, traffic was up less than one percent. Unemployment was continuing to rise, and the general economy was not in as great shape as some economists felt it should be.

Percent change in sales growth for eating places 1980–1981 (current and real dollars*)



*Adjusted for inflation
Source: *Malcolm M. Knapp, Inc.*

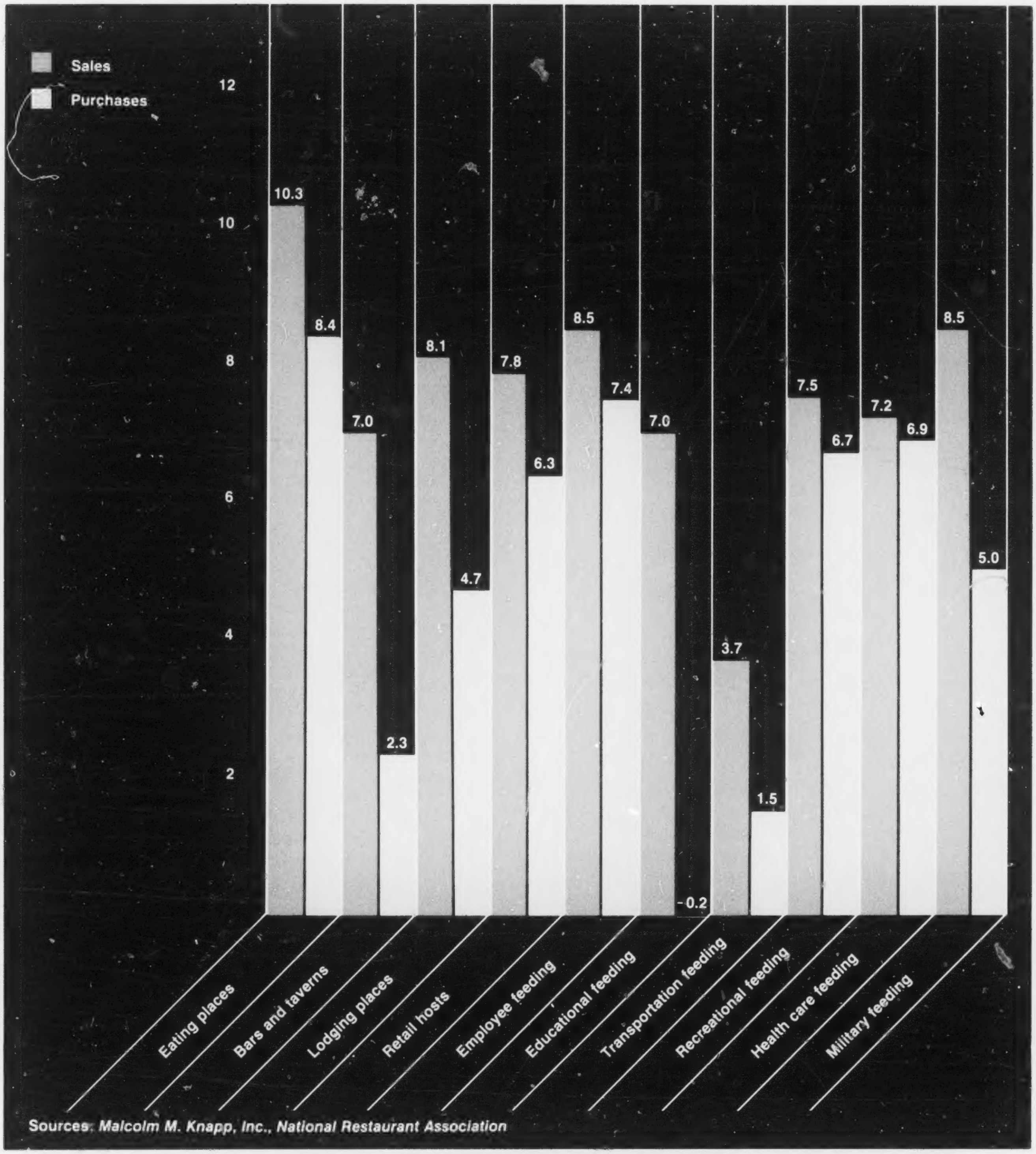
1981 Alcoholic beverage sales in eating and drinking places (000)



*Percent of total alcoholic beverage sales.
Note: Only those establishments with payrolls are included. Hotel, motel and motor hotel restaurants had combined alcoholic beverage sales of $1,962,622,000. Alcoholic beverage sales in other establishments totaled approximately $1,073,000,000 in 1981.

Source: *Malcolm M. Knapp, Inc.*

Percent change in food and drink sales and purchases 1980–1981



Sources: *Malcolm M. Knapp, Inc., National Restaurant Association*

FOODSERVICE TRENDS

Menu prices up faster than grocery costs. . .

For the third consecutive year, restaurant menu prices continued to outpace the rise in grocery store food prices. In 1981 the Consumer Price Index (CPI) for food away from home prices advanced 9.0 percent versus a lower 7.3 percent increase in prices for food at home. This approximates the difference in 1980 when menu prices moved up 9.9 percent and grocery store prices advanced 8.0 percent.

Wholesale food costs for restaurant operators continued to moderate in 1981, helping to hold menu price inflation below the 9.9 percent rise in 1980 and the 12.2 percent increase in 1979. Restaurant operators experienced a 3.1 percent increase in their food costs in 1981, down from a 5.0 percent advance in the prior year. The rate of increase in prices for beef and veal continued at a moderate pace—5.0 percent in 1981 compared with a slight 3.2 percent increase in 1980 and a 24.7 percent rise in 1979. Also contributing to the slower rise in wholesale food costs was the moderate increase in prices for fruits, vegetables, poultry, eggs, fish and shellfish.

Proportion of food dollar spent away from home up slightly. . .

In 1981, consumers continued to increase their purchases from grocery stores at a faster rate than from foodservice operations. Real sales for foodservice rose 0.5 percent while real grocery store sales were up one percent. However, inflation-adjusted sales at eating places advanced 1.3 percent, outpacing the real sales gains at grocery stores.

The proportion of the food dollar spent away from home increased from a revised 36.0 percent in 1980 to 36.2 percent in 1981. This is still lower than the high of 38.0 percent reached in 1978. The proportion of disposable personal income allocated to food away from home remained at 1980's 5.5 percent. A high of 5.7 percent was recorded in 1979.

Commercial Feeding Group sales reached $106 billion. . .

Food and drink sales in the Commercial Feeding Group—which accounts for 85 percent of the industry's $124.4 billion total—reached $106 billion in 1981, representing an increase of 9.5 percent over 1980. After adjusting for inflation, real sales in this category rose 0.6 percent, reversing 1980's real sales decline of one percent.

Limited menu restaurants posted the largest gain in the Commercial Feeding Group in 1981 with an increase of 12.3 percent. Sales at *drive-in movies* followed with a 12.1 percent rise. Food contractors at *recreation and sports centers* experienced the smallest growth in the Commercial Feeding Group, recording a slight 3.5 percent sales rise.

Institutional Feeding Group sales totaled $18.7 billion. . .

Sales in the Institutional Feeding Group rose 6.9 percent in 1981, reaching a total of $18.7 billion. However, real sales (adjusted for inflation) rose only 0.5 percent, compared with a stronger 2.0 percent real sales gain one year earlier. Foodservice sales at *private colleges and universities* experienced the most substantial growth—10.9 percent. Sales at *private clubs* and *public colleges and universities* followed closely with gains of 10.2 percent and 10.1 percent, respectively.

Eating place sales reached $74.7 billion. . .

Eating places, including restaurants, lunchrooms, limited menu (fast food) restaurants, commercial cafeterias, social caterers, as well as ice cream and frozen custard stands, account for approximately 60 percent of total foodservice industry sales. In 1981, sales for these establishments reached $74.7 billion—a 10.3 percent increase over 1980's level of $67.7 billion. Inflation-adjusted sales for this group rose 1.3 percent in 1981, reversing two previous years of negative growth—a one percent drop in 1980 and a 0.7 percent decline in real sales during 1979.

Limited menu restaurants experience strongest growth. . .

Limited menu restaurants, including most fast food establishments, posted the largest sales gain among eating places in 1981—12.3 percent. After adjusting for inflation, real sales growth was 3.3 percent—larger than for any other eating place category and substantially above 1980's slight 0.2 percent gain.

Even though the rate of growth has weakened somewhat over the last several years, fast food continued to capture a greater portion of eating place sales and total foodservice sales. In 1970, limited menu sales accounted for 29 percent of eating place sales and 14 percent of total foodservice sales. By 1981, these shares had increased dramatically—41.2 percent and 24.6 percent, respectively.

Fast food operators continued efforts to broaden their customer base by diversifying menus and putting increased emphasis on the breakfast menu.

Promotions and discounts were used heavily in the limited menu category as an additional means to increase customer traffic and sales. According to CREST data, promotional activity was highest during the winter and fall quarters, accounting for 14.2 percent and 12.5 percent of the occasions.

Restaurant and lunchroom sales up by 9.1 percent. . .

Food and drink sales at *restaurants and lunchrooms*—establishments offering tableservice—increased 9.1 percent in 1981, reaching $39 billion. Inflation-adjusted sales for this category posted a slight increase—0.2 percent—an improvement, however, over the 1.7 percent decline in real sales in 1980.

Among other eating place categories, sales at *ice cream and frozen custard stands* topped $1.4 billion in 1981—a 10.1 percent rise over one year earlier and a gain over 1980's 8.4 percent advance. *Commercial cafeterias* experi-

1981 Eating place sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1980	1981	Percent change	1980	1981	Percent change
Restaurants, lunchrooms	$36,037,601	$39,324,429	9.1%	$13,531,128	$14,596,638	7.9%
Limited menu restaurants	27,434,837	30,809,321	12.3	9,842,465	10,774,974	9.5
Commercial cafeterias	2,163,965	2,315,442	7.0	820,827	866,971	5.6
Social caterers	775,944	806,206	3.9	302,514	309,937	2.4
Ice cream, frozen custard stands	1,289,479	1,419,716	10.1	406,186	440,112	8.4
Total eating places	*$67,701,826*	*$74,675,114*	*10.3%*	*$24,903,120*	*$26,988,632*	*8.4%*

1981 Lodging place sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1980	1981	Percent change	1980	1981	Percent change
Hotel restaurants	$ 4,439,576	$ 4,817,757	8.5%	$ 1,521,065	$ 1,595,062	4.9%
Motor hotel restaurants	791,227	854,525	8.0	271,413	283,509	4.4
Motel restaurants	1,368,009	1,461,034	6.8	481,225	501,760	4.3
Total lodging places	*$ 6,598,812*	*$ 7,133,316*	*8.1%*	*$ 2,273,703*	*$ 2,380,331*	*4.7%*

enced a 7.0 percent increase, reaching $2.3 billion in 1981. *Social caterers* posted the smallest gain in this category—3.9 percent.

Sales at bars and taverns totaled $8.3 billion. . .

Food and beverage sales at all *bars and taverns* (with or without foodservice) rose 7.0 percent in 1981 for a total of $8.3 billion. This was somewhat weaker than the 8.4 percent advance recorded in 1980 for this category.

Lodging place sales up 8.4 percent. . .

Food and drink sales at *lodging places* totaled $7.1 billion in 1981, up 8.1 percent from the prior year. This compares with a smaller 7.2 percent advance in 1980. The stronger increase in 1981 was partially due to a slower rise in room prices (up 10.5 percent in 1981, compared with a steeper 16.0 percent gain during 1980), along with an increase in the proportion of double room occupancies which boosted the sales per room above the room rate increase.

Growth in the number of foreign visitors also contributed to the increased lodging food and drink sales. In 1981, foreign visitors accounted for 16 percent of all lodging patrons. This boosted the foreign business component by 3.4 percentage points. Of these guests, Canadians accounted for 19.2 percent, Mexicans—16.1 percent, South Americans—15.3 percent and Japanese—12.8 percent.

Total occupancy fell slightly from 69.5 percent in 1980 to 67.6 percent in 1981. This decline was partially offset, however, by the increased number of new rooms available in such markets as New York, Houston and Dallas.

Hotels experienced the largest foodservice sales gains in the lodging category, up 8.5 percent to $4.8 billion in 1981. This compares with an 8.0 percent increase recorded in 1980. Increased convention and conference business provided the major impetus behind this expansion.

Food and drink sales at *motor hotel restaurants* advanced 8.0 percent to $855 million, versus a slower 6.6 percent rise in 1980. *Motel restaurant* sales reached 1.5 billion in 1981—up 6.8 percent—a slight improvement over 1980's 5.1 percent gain. This modest growth reflects the continued slump in domestic travel and gasoline sales—two factors that substantially affect the motel sector of the lodging industry.

Retail hosts sales totaled $3.6 billion. . .

Retail hosts, such as department stores and drugstores, are establishments not primarily engaged in foodservice that incorporate a restaurant, cafeteria or snack bar on their premises. Food and drink sales at these establishments totaled almost $3.6 billion in 1981, a 7.8 percent increase over 1980 and slightly higher than the 7.4 percent sales growth the year before. Squeezed by rising prices for fixed items, consumers continued to shop for specific purchases. They did not "browse" and, as a result, few customers stayed in the stores to eat.

Grocery store restaurants, which include convenience stores, experienced the largest gain in this category—11.1 percent in 1981. This growth is largely due to the rise in the number of convenience stores as well as the increased proportion of foodservice sales within these stores. Food and drink sales should continue to accelerate in this category as convenience stores expand foodservice offerings in

1981 Retail host sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1980	*1981*	*Percent change*	*1980*	*1981*	*Percent change*
Drug and proprietary store restaurants	$ 357,572	$ 377,238	5.5%	$ 135,877	$ 141,464	4.1%
General merchandise store restaurants	52,643	55,222	4.9	19,478	20,156	3.5
Department store restaurants	1,039,838	1,109,507	6.7	405,537	427,160	5.3
Variety store restaurants	453,231	482,238	6.4	172,228	180,839	5.0
Food stores (excluding grocery)	171,580	185,821	8.3	58,337	62,250	6.7
Grocery store restaurants	705,431	783,734	11.1	253,955	278,226	9.6
Gasoline service stations	383,073	416,017	8.6	137,906	147,686	7.1
Miscellaneous retailers	139,505	150,386	7.8	49,524	52,635	6.3
Total retail hosts	*$ 3,302,873*	*$ 3,560,163*	*7.8%*	*$ 1,232,842*	*$ 1,310,416*	*6.3%*

1981 Employee feeding sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1980	*1981*	*Percent change*	*1980*	*1981*	*Percent change*
Industrial and commercial organizations						
Food contractors						
• Manufacturing and industrial plants	$2,121,483	$2,299,688	8.4%	$ 988,590	$1,060,156	7.2%
• Commercial and office buildings	603,906	669,127	10.8	281,414	308,468	9.6
Institutional feeding	1,376,668	1,489,555	8.2	673,232	722,434	7.3
Subtotal	$4,102,057	$4,458,370	8.7%	$1,943,236	$2,091,058	7.6%
Seagoing ships (1,000 + tons)	55,919	53,927	-3.6	33,551	32,356	-3.6
Inland waterway vessels	202,649	218,192	7.7	121,589	130,915	7.7
Total employee feeding	*$4,360,625*	*$4,730,489*	*8.5%*	*$2,098,376*	*$2,254,329*	*7.4%*

1981 Educational feeding sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1980	*1981*	*Percent change*	*1980*	*1981*	*Percent change*
Colleges and universities						
Contractors	$1,139,972	$1,271,069	11.5%	$ 396,713	$ 435,977	9.9%
Institutional						
• Public	1,625,118	1,789,255	10.1	782,388	818,378	4.6
• Private	672,954	746,306	10.9	377,910	394,538	4.4
Subtotal	$3,438,044	$3,806,630	10.7%	$1,557,011	$1,648,893	5.9%
Primary and secondary schools						
Contractors	628,966	657,108	4.5	305,237	302,276	-1.0
Institutional	2,312,195	2,364,450	2.3	3,117,110	3,018,427	-3.2
Subtotal	$2,941,161	$3,021,558	2.7%	$3,422,347	$3,320,703	-3.0%
Total educational feeding	*$6,379,205*	*$6,828,188*	*7.0%*	*$4,979,358*	*$4,969,596*	*-0.2%*

response to the growing consumer demand for "quick and easy" foods.

Food and drink sales at *gasoline service stations* rose 8.6 percent in 1981, compared with a slower 6.8 percent advance in 1980. Gasoline service stations are handling and promoting more convenience items which contributed to the increase in foodservice sales.

Sales at *food stores, excluding grocery*, advanced 8.3 percent in 1981—a significant drop from the 12.7 percent gain posted one year earlier. Stores in this category include bakeries and ice cream stores.

In 1981, food and drink sales at *drugstores, general merchandise stores, variety stores* and *department stores* recorded growth below the 7.8 percent average gain for the retail host category. Sales at *miscellaneous retailers* equaled the average increase, a slight rise over 1980's 7.5 percent.

Mobile caterers and vending growth below inflation...

Mobile caterers posted a slower increase in sales in 1981 than in 1980—6.2 percent versus 7.4 percent. Foodservice sales in this category were affected largely by the decline in both construction (construction employment was down 3.9 percent) and recreation (primarily due to the baseball strike).

Food and drink sales by *vending and non-store retailers* rose 8.2 percent in 1981, compared with a weaker 7.7 percent advance in 1980. Although the number of employed production workers declined by 1.4 percent, the loss of customers was partially offset by the installation of vending machines outside of the prime industrial base.

Sales for employee feeding totaled $4.7 billion...

Foodservice sales in the employee feeding category totaled $4.7 billion in 1981, up 8.5 percent from $4.4 billion in 1980. Food and drink sales for foodservice contractors at *commercial and office buildings* posted the largest increase in this category—10.8 percent. Contributing to this gain was an increase in both white collar and clerical employment—up 2.0 percent and 2.7 percent, respectively. As the trend toward suburban office locations has grown, so has the need for on-site foodservice facilities. These facilities tend to be operated by foodservice contractors.

Sales for foodservice contractors at *manufacturing and industrial plants* advanced 8.4 percent in 1981. This substantial improvement over 1980's 5.2 percent growth was due primarily to a smaller decline in manufacturing employment in 1981—0.6 percent—than during the prior year—3.5 percent. The number of unemployed blue collar workers also dropped. Only 0.6 percent of all blue collar employees were out of work in 1981, compared with 4.0 percent one year earlier. *Industrial and commercial organizations* that operate their own foodservice experienced more growth in 1981 than in 1980—8.2 percent versus 5.7 percent—due to a decline in the number of workers, as well as a shift of some manual operations to vending.

Sales on *inland waterway vessels* rose 7.7 percent in 1981, reaching $218 million. The high cost of gas contributed to the competitive price of barge transportation, and this helped boost foodservice sales.

Food and drink sales on *seagoing ships* dropped 3.6 percent in 1981, compared with a much stronger 7.5 percent gain in the prior year. A sharp drop in the number of merchant marine employees—6.6 percent—contributed to this decline.

Educational feeding sales up 7.0 percent...

Foodservice sales for the educational feeding category reached $6.8 billion in 1981, up 7.0 percent from $6.4 billion in 1980. This advance, however, was below the 10.8 percent increase in 1980. Enrollment at colleges was up only 2.3 percent in 1981, compared with 1980's 4.6 percent advance, and this contributed to the slower sales growth. A disproportionate share of this gain was from two-year students—the full-time equivalent enrollment was up only one percent. Foreign student enrollment advanced 9.1 percent to 312,000 students in 1981.

Foodservice contractors at *colleges and universities* posted the strongest increase in the educational feeding segment—11.5 percent. Institutional feeding sales at *private colleges and universities* came next with a 10.9 percent advance. Sales at *public colleges and universities* that operate their own foodservice facilities totaled $1.8 billion in 1981, up 10.1 percent from 1980. College feeding gains, based on student enrollment, seem to have peaked; but there remains opportunity for real sales growth through better feeding programs as some efficient operators have demonstrated.

Food and drink sales by food contractors at *primary and secondary schools* rose 4.5 percent in 1981. Sales in this category for schools operating their own foodservices rose 2.3 percent. There were significantly larger gains in 1980—9.0 percent and 8.2 percent, respectively. Part of the slowdown in sales can be attributed to a 1.8 percent decline in overall enrollment at primary and secondary schools and a tightening of eligibility requirements which dramatically lowered the number of reduced price meals and paid meals. The number of students participating in the school lunch program dropped 5.2 percent, and the number of lunches fell by 6.0 percent. The number of free breakfasts also declined—12.8 percent.

Sales for transportation feeding category up 3.7 percent...

Food and drink sales for the transportation feeding category rose 3.7 percent in 1981 to $1.2 billion. *Passenger/cargo liners* had the largest gain—up 6.5 percent. Although cruise ships continued to grow in popularity, 1981's increase was well below 1980's 11.6 percent advance.

In-transit feeding (airlines) by foodservice contractors rose 3.8 percent in 1981, significantly lower than the 7.7

1981 Transportation feeding sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1980	*1981*	*Percent change*	*1980*	*1981*	*Percent change*
Airlines						
Contractors	$ 512,914	$ 532,190	3.8%	$ 246,188	$ 255,435	3.8%
Institutional	475,494	493,382	3.8	236,848	245,754	3.8
Subtotal	$ 988,408	$1,025,572	3.8%	$ 483,036	$ 501,189	3.8%
Passenger cargo liners	115,664	123,182	6.5	63,615	67,749	6.5
Railroads	32,775	30,598	−6.6	25,654	12,151	−52.6
Total transportation feeding	$1,136,847	$1,179,352	3.7%	$ 572,305	$ 581,089	1.5%

1981 Recreational feeding sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1980	*1981*	*Percent change*	*1980*	*1981*	*Percent change*
Recreation and sports centers						
Contractors	$ 977,788	$ 1,011,926	3.5%	$ 355,915	$ 363,281	2.1%
Institutional	701,768	755,803	7.7	255,443	271,333	6.2
Subtotal	$1,679,556	$ 1,767,729	5.2%	$ 611,358	$ 634,614	3.8%
Drive-in movies	167,213	187,446	12.1	55,180	60,920	10.4
Bowling lanes	500,922	547,257	9.2	187,846	202,485	7.8
Clubs	1,055,919	1,163,622	10.2	498,394	549,230	10.2
Sporting and recreational camps	114,244	115,828	1.4	68,558	69,497	1.4
Total recreational feeding	*$3,517,854*	*$ 3,781,882*	7.5%	*$1,421,336*	*$1,516,746*	6.7%

1981 Health care feeding sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1980	*1981*	*Percent change*	*1980*	*1981*	*Percent change*
Contractors in hospitals and nursing homes	$ 832,480	$ 902,408	8.4%	$ 332,992	$ 360,963	8.4%
Voluntary and proprietary hospitals	4,771,098	5,190,252	8.8	1,908,439	2,076,101	8.8
State and local short-term hospitals	723,645	771,188	6.6	505,254	534,500	5.8
Long-term hospitals	854,510	872,010	2.0	341,804	348,804	2.0
Federal hospitals	318,995	349,283	9.5	261,539	281,152	7.5
Nursing homes	2,416,239	2,549,132	5.5	1,527,667	1,611,663	5.5
Total health care feeding	*$9,916,967*	*$10,634,273*	7.2%	*$4,877,695*	*$5,213,183*	6.9%

1981 Military feeding sales and purchases

	Estimated food and drink sales (000)			Estimated food and drink purchases (000)		
	1980	*1981*	*Percent change*	*1980*	*1981*	*Percent change*
Defense personnel				$1,664,390	$1,739,787	4.5%
Officers' & NCO clubs ("Open mess")	$ 392,531	$ 436,047	11.1%	145,854	162,022	11.1
Military exchange food service	219,800	228,296	3.9	95,343	99,028	3.9
Total military feeding	*$ 612,331*	*$ 664,343*	8.5%	*$1,905,587*	*$2,000,837*	5.0%

percent gain recorded in 1980. Foodservice sales for *airlines* which operate their own foodservice also weakened in 1981—up 3.8 percent—compared with a rise of 7.7 percent in 1980. Slower growth in 1981 was due to a 2.9 percent decline in the number of domestic travelers and a 12.5 percent drop in the number of foreign visitors. The air traffic controller's strike and the weak economy also contributed to the decline in sales.

Foodservice sales on the nation's *railroads* experienced the sharpest decline, dropping 6.6 percent during 1981. This sector experienced drastic changes as efforts were made to bring passenger foodservice to a more cost-efficient level. Purchases were down 52.6 percent, the result of a reduced product mix and the introduction of tray meals and portion controls. Centralized purchasing and computer control systems were introduced to eliminate waste. Passenger traffic was also down—7.6 percent—which further reduced foodservice sales.

Recreational sales totaled $3.8 billion...

Foodservice sales for the recreational feeding category totaled $3.8 billion in 1981, up 7.5 percent over 1980's recorded $3.5 billion. Food and drink sales at drive-in movies experienced the most rapid growth in this category—12.1 percent—well above the 3.3 percent gain in 1980.

Foodservice sales at *clubs* rose 10.2 percent in 1981 as consumers continued to use club facilities for recreation. This was slightly below the 12.1 percent advance recorded in 1980.

Sales by foodservice contractors at *recreation and sports centers* were up a modest 3.5 percent, compared with a stronger 11.7 percent advance during 1980. This slowdown was directly affected by an overall 8.8 percent reduction in attendance at spectator sports—primarily due to the baseball strike. Sales at *recreation and sports centers* operating their own foodservice rose 7.7 percent, versus a stronger 11 percent rise in 1980.

Bowling lane food and beverage sales were up 9.2 percent during 1981, slightly less than the 9.4 percent increase recorded the year before. Foodservice sales at *sporting and recreational camps* experienced a very slow year, rising only 1.4 percent during 1981.

Foodservice sales at health care facilities up 7.2 percent...

Foodservice sales at health care facilities increased 7.2 percent to $10.6 million in 1981. Institutional foodservice sales at *federal hospitals* were up 9.5 percent, due primarily to efficient purchasing methods. Sales at *voluntary and proprietary hospitals* operating their own foodservice advanced 8.8 percent due to a 2.4 percent increase in patient days and a 6.2 percent increase in staff. Food and drink sales at *state and local short-term hospitals* rose 6.6 percent—also affected by an increase in the number of patients and employees in 1981. Foodservice contractor sales at *hospitals and nursing homes* rose 8.4 percent due to an increased number of operators in this category.

Nursing homes and *long-term hospitals* operating their own foodservice recorded the slowest sales growth in this category—5.5 percent and 2.0 percent, respectively.

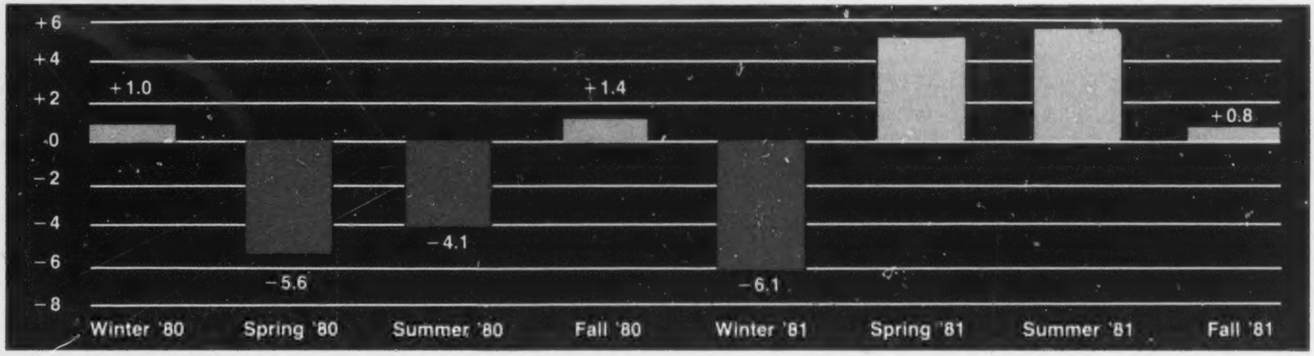
Community centers sales rose 1.5 percent...

Food and drink sales at *community centers* reached $356 million in 1981, a slight 1.5 percent advance over 1980. The modest increase was due primarily to cutbacks in various federal programs, such as the school breakfast program and the summer feeding program.

Military feeding group sales up...

The military feeding group experienced an 8.5 percent advance in foodservice sales, reaching $664 million in 1981. A 1.5 percent increase in the military population contributed to this gain. Food and drink sales at *officers and NCO clubs* were up 11.1 percent due largely to major interior and program improvements. Patronage at post-exchange foodservice establishments, however, was not quite as strong—sales advanced a modest 3.9 percent. Military sales will most likely continue to expand in future years, benefiting from national efforts to boost troop strength.

Percent change in quarterly customer traffic Winter '80–Fall '81*



***Percent change from same period in prior year.**
Source: CREST, NPD Research, Inc.

Estimated food and drink sales and purchases, 1981

# of Units	Type of establishment	Estimated food and drink sales (000) 1980	Estimated food and drink sales (000) 1981	Percent gain (loss)	Estimated food and drink purchases (000) 1981	Source
	Group I: Commercial Feeding Group[1]					
	Eating places					
122,068[2]	Restaurants, lunchrooms	$36,037,601	$ 39,324,429	9.1%	$14,596,638	*1, 21, 22, 23*
103,202	Limited menu restaurants	27,434,837	30,809,321	12.3	10,774,974	*1, 21, 22, 23*
6,787	Commercial cafeterias	2,163,965	2,315,442	7.0	866,971	*1, 22, 23*
3,320	Social caterers	775,944	806,206	3.9	309,937	*1, 22*
8,968	Ice cream, frozen custard stands	1,289,479	1,419,716	10.1	440,112	*1, 21, 22*
244,345	**Total—Eating places**	**$67,701,826**	**$ 74,675,114**	**10.3%**	**$26,988,632**	
38,879[3]	**Bar and Taverns**	7,779,573	8,321,422	7.0	502,970[4]	*1, 22*
283,224	**Total—Eating and drinking places**	**$75,481,399**	**$ 82,996,536**[5]	**10.0%**	**$27,491,602**	
	Food contractors					
	Manufacturing and industrial plants	$ 2,121,483	$ 2,299,688	8.4%	$ 1,060,156	*1, 19, 27*
	Commercial and office buildings	603,906	669,127	10.8	308,468	*1, 27*
	Hospitals and nursing homes	832,480	902,408	8.4	360,963	*13*
	Colleges and universities	1,139,972	1,271,069	11.5	435,977	*2, 4*
	Primary and secondary schools	628,966	657,108	4.5	302,276	*3*
	In-transit feeding (airlines)	512,914	532,190	3.8	255,435[6]	*9*
	Recreation and sports centers	977,788	1,011,926	3.5	363,281	*1, 23, 24, 29*
7,836[7]	**Total—Food contractors**	**$ 6,817,509**	**$ 7,343,516**	**7.7%**	**$ 3,086,556**	
	Lodging places					
13,837	Hotel restaurants	$ 4,439,576	$ 4,817,757	8.5%	$ 1,595,062	*1, 23, 25, 26*
2,429	Motor hotel restaurants	791,227	854,525	8.0	283,509	*1, 23, 25, 26*
13,651	Motel restaurants	1,368,009	1,461,034	6.8	501,760	*1, 26*
29,917	**Total—Lodging places**	**$ 6,598,812**	**$ 7,133,316**	**8.1%**	**$ 2,380,331**	
	Retail hosts					
8,619	Drug and proprietary store restaurants	$ 357,572	$ 377,238	5.5%	$ 141,464	*1*
1,644	General merchandise store restaurants	52,643	55,222	4.9	20,156	*1*
5,202	Department store restaurants	1,039,838	1,109,507	6.7	427,160	*1, 30*
5,111	Variety store restaurants	453,231	482,238	6.4	180,839	*1*
3,967	Food stores except grocery	171,580	185,821	8.3	62,250	*1*
23,001	Grocery store restaurants	705,431	783,734	11.1	278,226	*1*
8,232	Gasoline service stations	383,073	416,017	8.6	147,686	*1*
3,608	Miscellaneous retailers (liquor, cigar, etc.)[8]	139,505	150,386	7.8	52,635	*1*
59,384	**Total—Retail hosts**	**$ 3,302,873**	**$ 3,560,163**	**7.8%**	**$ 1,310,416**	
	Recreation and sports					
2,882	Drive-in movies	$ 167,213	$ 187,446	12.1%	$ 60,920	*1*
3,933	Bowling lanes	500,922	547,257	9.2	202,485	*1*
N/A	Recreation and sports centers	701,768	755,803	7.7	271,333	*1, 24, 29*
6,815	**Total—Recreation and sports**	**$ 1,369,903**	**$ 1,490,506**	**8.8%**	**$ 534,738**	
	All other					
3,267	Vending and non-store retailers[9]	$ 2,528,229	$ 2,734,406	8.2%	$ 899,620	*1, 19*
N/A	Mobile caterers	466,720	495,890	6.2	168,107	*1, 2*
3,267	**Total—All other**	**$ 2,994,949**	**$ 3,230,296**	**7.8%**	**$ 1,067,727**	
390,443	**TOTAL—GROUP I**	**$96,565,445**	**$105,754,333**	**9.5%**	**$35,871,370**	

# of Units	Type of establishment	Estimated food and drink sales (000) 1980	Estimated food and drink sales (000) 1981	Percent gain (loss)	Estimated food and drink purchases (000) 1981	Source
	Group II: Institutional Feeding Group—Educational, government or institutional organizations which operate their own foodservice					
	Employee feeding					
3,820	Industrial and commercial organizations	$ 1,376,668	$ 1,489,555	8.2%	$ 722,434	*20, 27*
539	Seagoing ships (1,000 + tons)	55,919	53,927	−3.6	32,356	*6*
4,248	Inland waterway vessels	202,649	218,192	7.7	130,915	*7*
8,607	**Total—Employee feeding**	**$ 1,635,236**	**$ 1,761,674**	**7.7%**	**$ 885,705**	
	Educational feeding					
91,840	Public and parochial elementary and secondary schools (90,478 national school lunch program)[10]	$ 2,312,195	$ 2,364,450	2.3%	$ 3,018,427	*3*
1,018	Public colleges and universities[11]	1,625,118	1,789,255	10.1	818,378	*3*
1,551	Private colleges and universities[11]	672,954	746,306	10.9	394,538	*2, 4*
94,409	**Total—Educational feeding**	**$ 4,610,267**	**$ 4,900,011**	**6.3%**	**$ 4,231,343**	
	Transportation feeding					
65	Passenger/cargo liners	$ 115,664	$ 123,182	6.5%	$ 67,749	*8*
63	Airlines	475,494	493,382	3.8	245,754	*9*
2	Railroads	32,775	30,598	−6.6	12,151	*10*
130	**Total—Transportation feeding**	**$ 623,933**	**$ 647,162**	**3.7%**	**$ 325,654**	
	Hospital feeding					
4,069	Voluntary and proprietary hospitals	$ 4,771,098	$ 5,190,252	8.8%	$ 2,076,101	*13*
1,744	State and local short-term hospitals[12]	723,645	771,188	6.6	534,500	*13*
706	Long-term, general, TB and psychiatric hospitals	854,510	872,010	2.0	348,804	*13*
348	Federal hospitals[12]	318,995	349,283	9.5	281,152	*13*
6,867	**Total—Hospital feeding**	**$ 6,668,248**	**$ 7,182,733**	**7.8%**	**$ 3,240,557**	
25,130	Nursing homes; homes for the aged, blind, orphans, mentally and physically handicapped[13]	$ 2,416,239	$ 2,549,132	5.5%	$ 1,611,663	
	Miscellaneous					
16,010	Community centers	351,233	356,501	1.5	420,664	*12*
10,310	Clubs	1,055,919	1,163,622	10.2	549,230	*5*
2,249	Sporting and recreational camps	114,244	115,828	1.4	69,497	*1, 11*
N/A	Convents and seminaries	***	***		118,680	*17*
28,569	**Total—Miscellaneous**	**$ 1,521,396**	**$ 1,635,951**	**7.5%**	**$ 1,158,071**	
	Penal institutions					
791	Federal and state prisons	***	***	***	$ 296,678	*15*
3,493	Jails	***	***	***	229,235	*16*
4,284	**Total—Penal institutions**	***	***	***	**525,913**	
167,996	**TOTAL—GROUP II**	**$ 17,475,319**	**$ 18,676,663**	**6.9%**	**$11,978,906**	
558,439	**TOTAL—GROUPS I AND II**	**$114,040,764**	**$124,430,996**	**9.1%**	**$47,850,276**	
	Food furnished food service employees in Groups I and II	***	***	***	$ 3,514,594	*18*
558,439	**TOTAL—GROUPS I, II, AND FSE**	**$114,040,764**	**$124,430,996**	**9.1%**	**$51,364,870**	
	Group III: Military Feeding Group					
	Defense personnel	***			$ 1,739,787	*18*
700	Officers' and NCO clubs ("open mess")[14]	$ 392,531	$ 436,047	11.1%	$ 162,022	*28*
556	Military exchange foodservice[14]	219,800	228,296	3.9	99,028	*28*
1,256	**TOTAL—GROUP III**	**$ 612,331**	**$ 664,343**	**8.5%**	**$ 2,000,837**	
559,695	GRAND TOTAL	$114,653,095	$125,095,339	9.1%	$53,365,707	

Note: *Footnotes and sources appear on next page.*

Sources & footnotes for table on pages 36 & 37

Sources

1. U.S. Bureau of the Census: Census of Business; *1972 Census of Retail Trade, Merchandise Line Sales; Sales Size; Miscellaneous Subjects; 1972 Selected Services; Hotels, Motels, Trailering Parks and Camps; 1977 Census of Retail Trade, Sales Size, Merchandise Line Sales, Miscellaneous Subjects; 1977 Census of Selected Services, Current Retail Trade Reports, Monthly Selected Services Receipts, Series BS.*
2. Industry sources.
3. Based on data from U.S. Department of Agriculture, Food and Nutrition Service; HEW Office of Education "Fall 1981 Statistics of Public Schools;" HEW *Digest of Educational Statistics* 1980, 1981; National Catholic Education Assn/Granley's 1979 and 1980, *Catholic Schools in America; Current Population Reports, Series P-20*, Nos. 222, 303, 319 and 321.
4. Estimated: Based on *College and University Business*, December 1970; HEW *Digest of Educational Statistics*, 1980, 1981; HEW advanced 1982 data; Bureau of the Census *Current Population Report, Series P-20*, No. 245 "Living Arrangements of College Students," October 1971; HEW National Center for Educational Statistics unpublished data.
5. Estimated: Based on U.S. Department of Commerce, Bureau of Economic Analysis; "Personal Consumption Expenditures," *Survey of Current Business* July 1982; *Clubs in Town and Country 1981*, Pannell, Kerr, Forester.
6. Estimated: Based on data supplied by U.S. Maritime Commission, Immigration and Naturalization Service; *Statistical Abstract of the United States 1982*, Tables 1125 and 1129.
7. Estimated: Based on data supplied by American Waterways Operators, Inc.; individual companies; *Statistical Abstract of the United States, 1982*, "Waterborne Commerce of the U.S.," Table 1114.
8. Estimated: Based on data supplied by the U.S. Maritime Commission, Immigration and Naturalization Service and individual passenger lines; *Statistical Abstract of the United States, 1982*, Tables 412 and 1133.
9. Estimated: Based on data supplied by Air Transport Association, *Air Transport World*; individual companies and Merrill, Lynch, Pierce, Fenner & Smith air transport analyst; *Statistical Abstract of the United States 1982*, Tables 1099 and 1103.
10. Estimated: Based on data supplied by the Amtrak Corporation.
11. Estimated: Based on data from the American Camping Association and individual companies.
12. Estimated: Based on information from YMCA Statistical Division, U.S. Department of Agriculture, Food and Nutrition Service and industry sources.
13. Estimated; Based on data from the American Hotel Association, *Hospital Statistics 1982*, "HAS Six Month National Comparison Period Ending June 30, 1980, June 30, 1981, December 1980 and December 1981." American Hospital Association; Veterans Administration and individual companies.
14. Estimated: Based on data from the National Center for Health Statistics; *1980 Census of Population*; American Hospital Association; *NIH Master Facilities Inventory 1978*; unpublished data.
15. Estimated: Based on information from the Bureau of Prisons, Department of Justice, "Prisoners in State & Federal Institutions," December 31 annual, *Corrections Magazine*.
16. Estimated: Based on Department of Justice, Law Enforcement Assistance Administration, "*Census of Jails and Survey of Jail Inmates, 1978* and unpublished data.
17. Estimated: Based on information from the *Official Catholic Directory*, P.J. Kennedy & Sons, interviews with suppliers.
18. Defense Personnel Support Center, Philadelphia, unpublished data; Bureau of Economic Analysis, "Personal Consumption Expenditures," *Survey of Current Business*, July 1982.
19. Estimated: Based on *Vending Times*, "Survey of the Industry," June 1981 and June 1982.
20. Industry sources.
21. *Franchising in the Economy, 1981-83*, Bureau of Domestic Commerce, U.S. Department of Commerce.
22. *Producer Price Index; Consumer Price Index*; Bureau of Labor Statistics, U.S. Department of Labor.
23. Company annual reports.
24. Estimated: Based on *Statistical Abstract of the United States, 1982*, Tables 390, 393, 400 and 401, Bureau of Economic Analysis, "Personal Consumption Expenditures," *Survey of Current Business*, July 1982.
25. Estimated: Based on Laventhol & Horwath, *Lodging Industry 1982; Trends in the Hotel Industry, USA Edition*, 1982; Pannell, Kerr, Forester.
26. American Hotel & Motel Association, *Construction and Modernization Report*.
27. Estimated: Based on *Employment and Earnings*, Bureau of Labor Statistics, "Occupation of Employed Workers by Sex, 1960-1981."
28. Army Times Publishing Company.
29. *AudArena Stadium, 1982*.
30. *Department and Specialty Store Merchandising and Operating Results of 1981*, National Retail Merchants Association.

Footnotes

1. Data are given only for establishments with payroll.
2. Figures are latest Census Area Reports or Merchandise Line detail counts or updates when reliable data becomes available.
3. Unit count includes only those establishments serving food; however, sales figure is for all bars and taverns with payroll.
4. Food only. Cost of alcoholic beverages totaled $2,512,408,000.
5. Food and drink sales for nonpayroll establishments totaled $2,569,542,000 with eating places accounting for $1,612,600,000 and drinking places, $956,942,000.
6. Food purchase only.
7. Individual businesses, not locations. Contract feeders are included in eating place totals in all Bureau of the Census publications although their sales volume figures for contract feeders are significantly understated.
8. Includes SIC 59, except 591 and 596.
9. Includes sales of hot foods, sandwiches, pastries, coffee and other hot beverages.
10. School lunch commodities furnished in the calendar year 1981 under Secs. 6, 32 and 416 are worth $897,164,160. In addition, 1,143,978,000 half pints of milk worth $77,728,940 were supplied.
11. Total number of colleges and universities which have foodservice whether contracted or not.
12. Represents sales or commercial equivalent to employees.
13. Sales (commercial equivalent) calculated for nursing homes and homes for aged only. All others in the grouping make no charge for food served either in cash or in kind.
14. Continental U.S. only.

***These institutions make no charge for food served either in cash or in kind.

Definitions, sources and methodology

Although there are many ways to define the components of the foodservice industry, this report organizes the various elements into three major groups: the Commercial Feeding Group, the Institutional Feeding Group and the Military Feeding Group. For a description of each category, please see the box on page 40. Portions of the Commercial Feeding and Institutional Feeding Groups have been recombined into categories such as employee feeding, health care and educational feeding in the analysis of sales performance in 1981.

In addition to these general categories, this report defines a restaurant or lunchroom as an establishment that provides waiter service. In contrast, a limited menu restaurant or refreshment place usually does not provide waiter service.

Readers may note that the 1981 eating place sales figures presented here are lower than those published by the Census Bureau in its "Current Retail Trade Reports" series. (Census revised its 1981 sales figures in April 1982 and in April 1983.) The census data include contract feeders. In this report all contract feeding appears as a separate Commercial Feeding Group segment.

Study figures. . .

The figures in this study were obtained from trade associations, various government data (both published and unpublished), published reports and discussions with foodservice executives in many segments of the industry. Whenever possible, several approaches and sources were used for the industry segment under examination to arrive at a set of answers in close agreement with each other. This has proved particularly useful where data are "soft." Source materials used in making our estimates are listed on page 38 and are noted on the table on pages 36 and 37.

Sales data for many of the Commercial Feeding Group segments of the foodservice industry are based on the 1977 Census of Retail Trade. Exceptions are sales for hotels, motels, camps and clubs for which the *1977 Census of Selected Services* was used. In addition, the "Merchandise Line" and "Miscellaneous Subjects" reports from the *1977 Census of Retail Trade* provided the proportion of meals and snack sales to total sales for eating and drinking places, retail hosts and other non-store retailers.

For the Commercial Feeding Group, sales figures were determined first, and then food and drink purchases were calculated from the sales figures on the basis of food and beverage costs as a percent of sales. In the Institutional Feeding Group, purchases were calculated from a cost per meal times the number of meals consumed in the particular segment. Where a direct charge is not made, such as in a proprietary hospital, commercial equivalent sales were calculated as a multiple of food costs.

There are some exceptions, however. For airlines, estimated sales were taken to mean estimated purchases from a contractor or the internal cost of foodservice operations by the airline. The sales figures do not include the cost of serving meals or beverages. When there is no charge for the serving of meals, as in federal hospitals which do not charge veterans for service, this report assumes no sales transaction has taken place.

Percent change in economic indicators and foodservice industry sales 1980–1981

	Current dollars	Real dollars*
Gross National Product (GNP)	11.6%	1.9%
Personal consumption expenditures	10.6	1.8
Durable goods expenditures	9.4	2.1
Non-durable goods expenditures	9.6	1.8
Services expenditures	11.7	1.7
Disposable personal income	11.2	2.4
Foodservice industry	9.1	0.5
Commercial feeding	9.5	0.6
Eating places**	10.3	1.3
Institutional feeding	6.9	0.5

*** *Adjusted for inflation***

*****Eating places include restaurants, lunchrooms, social caterers, commercial cafeterias, limited menu restaurants as well as ice cream and frozen custard stands.***

Sources: *Survey of Current Business, July 1982; Malcolm M. Knapp, Inc.*

Editor's note: *If you have questions concerning the content of this article or would like to request additional copies of "The foodservice industry: 1981 in review," contact Cecelia Niepold or Bette Hoyt at the National Restaurant Association, 311 First Street, N.W., Washington, DC 20001; (800) 424-5156 or (202) 638-6100.*

NRA foodservice industry—terms of reference

There are many ways to define the components of the foodservice industry. We have chosen a way that seems reasonable to us, but we recognize that this is a very complex industry and that there are several communities of industry participants. NRA's approach breaks the elements of the foodservice industry into many fine segments so that industry participants can recombine these segments into different major groups or subgroups to suit their particular needs. Groupings are to some extent arbitrary, and the categories rarely have neat, sharp boundaries. We define the foodservice industry as encompassing all meals and snacks prepared outside the home and, therefore, include all take out meals and beverages in this definition.

The major foodservice groupings used by the NRA in its analysis of the industry are as follows:

Commercial Feeding (Group I): This group comprises those establishments which are open to the public, are operated for profit and may operate facilities and/or supply meal service on a regular basis for others. Commercial feeding accounts for 85 percent of the sales, and includes eating and drinking places, foodservice contractors, hotel and motel restaurants and restaurants in department stores, drugstores, etc.

Eating Places: Dollar sales for eating places are for those with payroll only. Thus our figures may be slightly lower than estimates which include all establishments. Our dollar volume estimates for eating places refer to restaurants and lunchrooms, commercial cafeterias, limited menu restaurants, ice cream and frozen custard stands and social caterers. They do not include contract feeders, which are shown separately, although the Bureau of the Census data include contract feeders in their eating place category.

Institutional Feeding (Group II): This group comprises the business, educational, government and institutional organizations which operate their own foodservice. Food is provided as an auxiliary service to complement their other activities. While some establishments operate at a profit, this is not the aim of the foodservice activity. Rather, they serve food principally as a convenience for their own employees, students, patients, etc.

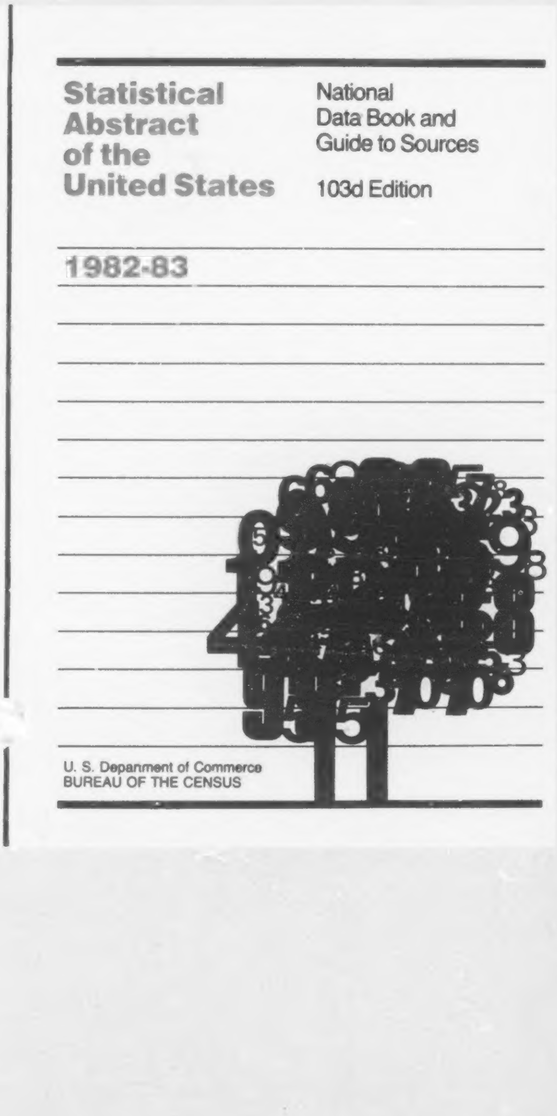
Military Feeding (Group III): This group comprises the sales of food and beverages at officers' and NCO clubs and military exchanges, as well as defense foodservice to the troops. This group has been shown separately because most suppliers treat it as a distinct entity for sales purposes.

—Cecelia Niepold

NRA's foodservice industry figures appear in *Statistical Abstract*

NRA's estimates of the size and scope of the foodservice industry were published in the 1982-83 *Statistical Abstract of the United States*. The abstract, published by the Department of Commerce, is the nation's most authoritative single source of information on the U.S. economy.

Inclusion of our estimates in this widely-used data sourcebook is another indication of NRA's growing stature as the leading source of information about the foodservice industry.



Statistical Abstract of the United States

National Data Book and Guide to Sources

103d Edition

1982-83

U. S. Department of Commerce
BUREAU OF THE CENSUS

NRA SEMINAR SCHEDULE

American Regional Cookery

9/14-15	Los Angeles, CA
10/5-6	San Francisco, CA
10/25-26	New Orleans, LA

Simplified Baking Workshop

7/21	Salt Lake City, UT
8/11	Milwaukee, WI
10/17	Portland, OR
10/19	Los Angeles, CA

Banquets and Buffets

7/11-12	Dallas, TX
8/22-23	Minneapolis, MN
9/12-13	Atlanta, GA
10/3-4	Chicago, IL

Bar Management

7/11-13	Milwaukee, WI
8/22-24	Rochester, NY
9/19-21	Seattle, WA
10/17-19	Philadelphia, PA

Controlling Beverage Costs

8/8	Dayton, OH
9/14	Des Moines, IA
10/11	Orlando, FL

Off-Premise Catering

7/18-19	Washington, DC
8/15-16	Phoenix, AZ
9/12-13	Raleigh, NC
10/19-20	Denver, CO

Computers in Foodservice: A Primer*

9/26	Seattle, WA
9/29	Palo Alto, CA
10/3	Honolulu, HI
10/17	Houston, TX
10/24	Orlando, FL

Computers in Foodservice: Advanced Technologies/Now That I Have One. . .*

9/27	Seattle, WA
9/30	Palo Alto, CA
10/4	Honolulu, HI
10/18	Houston, TX
10/25	Orlando, FL

Perfecting Your Culinary Skills

7/28	San Francisco, CA
8/25	Kansas City, MO
9/22	Louisville, KY

Restaurant Design and Facilities Planning

8/29-30	Dallas, TX
9/19-20	Reno, NV

Dining Room Management

8/9	Pittsburgh, PA
8/22	Charleston, SC
9/12	Fargo, ND
9/26	Burlington, VT
10/24	Little Rock, AR

Preparing a Successful Employee Handbook

8/9	Boston, MA
9/26	Atlanta, GA

Eyeing, Buying and Selling Fish and Seafood

9/29	Kansas City, MO
10/17	Jacksonville, FL
10/19	Chicago, IL

Controlling Food Cost

7/13	Little Rock, AR
8/3	Wichita, KS
8/17	Anchorage, AK
8/29	Philadelphia, PA
8/31	Boston, MA
9/12	Denver, CO
10/3	Biloxi, MS

Hiring Hourly Employees

8/8	Reno, NV
8/10	San Jose, CA
9/12	Indianapolis, IN
9/14	Oklahoma City, OK
10/6	Montpelier, VT

Kitchen Management

7/25	New Orleans, LA
7/27	Jackson, MS
8/15	Salt Lake City, UT
8/17	San Jose, CA
9/15	Wilmington, DE
9/27	Schaumburg, IL (Chicago)
10/13	Tucson, AZ
10/17	Las Vegas, NV

Principles of Labor Cost Management*

8/10	Detroit, MI
7/26	Baltimore, MD

Advanced Labor Cost Management*

8/11	Detroit, MI
7/27	Baltimore, MD

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

7/25-26	Denver, CO
10/5-6	Phoenix, AZ

Meat: Purchasing, Preparing and Merchandising

8/10	Little Rock, AR
8/23	Rochester, NY
10/13	Indianapolis, IN

Menu Development

8/24	Sacramento, CA
9/20	Cincinnati, OH

Creative Merchandising Techniques

8/8	San Francisco, CA
8/9	San Diego, CA
9/26	Salt Lake City, UT
9/27	Albuquerque, NM
10/11	Syracuse, NY

Motivation: Increasing the Desire to Do More and Better Work

9/1	Anchorage, AK
10/11	Washington, DC

How to Open and Operate a Restaurant

9/7	Baltimore, MD
10/18	Boston, MA
10/25	Atlanta, GA

Operational Analysis: Understanding Foodservice Revenues and Expenses

8/15-16	Washington, DC
10/26-27	Miami, FL

The Pantry: Prep for Profits

8/29	Albany, NY
9/28	Portsmouth, NH
10/31	Washington, DC

Basic Purchasing

7/11	Kansas City, MO
8/1	Lubbock, TX
8/15	Seattle, WA

Planning and Implementing Restaurant Marketing Strategy

8/22-23	Los Angeles, CA
9/12-13	Phoenix, AZ
10/3-4	Atlantic City, NJ

Basic Supervision

7/20	San Francisco, CA
8/30	St. Louis, MO
9/13	Phoenix, AZ
9/20	Minneapolis, MN
10/4	Salt Lake City, UT

Train the Trainer

8/29	New Orleans, LA
9/7	Chicago, IL
10/13	Richmond, VA
10/19	Louisville, KY

Wine: Sales and Merchandising

7/25	Knoxville, TN
8/2	Baltimore, MD
8/17	Las Vegas, NV
9/7	Rochester, NY
10/11	Seattle, WA
10/13	Honolulu, HI

National Conferences

8/21-24	National Conference on Promotions, Washington, DC
9/10-15	8th Annual California Wine Workshop, Monterey, CA

**Please note that there are basic and advanced courses on the topics of labor costs and computers. These programs are scheduled consecutively but either can be taken independently of the other.*

STUDY GROUP SCHEDULE

Labor Relations

7/27-28	Boston, MA

Internal Audit

9/20-23	San Diego, CA

MAECO (Multi-unit Architects, Engineers and Construction Officers)

9/21-23	Dallas, TX

Foodservice Purchasing Managers

9/22-24	Dallas, TX

Marketing Executives

9/25-28	Chicago IL

Market Research

9/28-30	Nashville, TN

Financial Officers

10/5-7	Orlando, FL

Tax Executives

10/5-7	Orlando, FL

Electronic Data Processing Managers

10/18-21	Lake Tahoe, NV

All interested persons should contact Philip Kralovec at (312) 787-2525

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National Restaurant Association
Vol. 3 ☐ No. 7 ☐ August 1983

NRA NEWS

A5800-18 8/83

Tomorrow's Menu

Restaurant customers move toward lighter fare

WN 08/05 MEMBER#81L006WF
STATISTICAL REFERENCE IND
CONGRESSIONAL INFO SERVICE
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

If you like the service, tell a friend . . .

The results of a recent member suvey are published in this month's *NRA News*. It was conducted for us by Dr. Philip Kuehl, an outside consultant with a sound reputation for objectivity. The survey showed that an overwhelming majority of NRA members view their association as a valuable ally. For instance, nearly eight out of 10 members feel that NRA is "very effective" or "effective" in meeting restaurant industry challenges.

About nine out of 10 agree that NRA services and programs are worth the cost of their company's dues.

About 85 percent of NRA's members feel that the association staff is very responsive to member requests for information.

In fact, Dr. Kuehl, who has conducted a number of similar studies for other associations, reports that NRA ranks over all the others in terms of general member satisfaction.

This is gratifying. But it raises a question in my mind. If we are serving our members so well, why has our membership not grown to include a much greater percentage of the industry?

NRA is large. We have 10,000 members representing about 100,000 foodservice operations, but the industry is much larger than that. We would like to see the other foodservice operators in your area join with us in the attempt to protect and promote the industry.

As you know, NRA is more than merely services offered to you. It is also you acting through one central organization to defend your own interests. Grassroots activity is our major means of influencing legislation and regulations which affect us daily. And an effective grassroots program requires as many participants as possible.

If you appreciate the services NRA offers you—and the survey indicates very clearly that you do—why not tell others about us. (Let us know whom you contact. We'll follow up.) If each NRA member brought in just one more NRA member, we would have twice as many personal contacts with government authorities and double the number of sources for ideas and programs.

Sincerely,

Robert Neville
Executive Vice President

NRA NEWS

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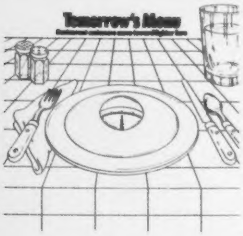

What should you be serving today's customers? Lighter and more wholesome fare, as several of the articles in this issue point out. Today's restaurant patrons are more nutrition-conscious, concerned about their diets and health.

10	An overview of the nutrition issue in restaurants, with comments from operators.
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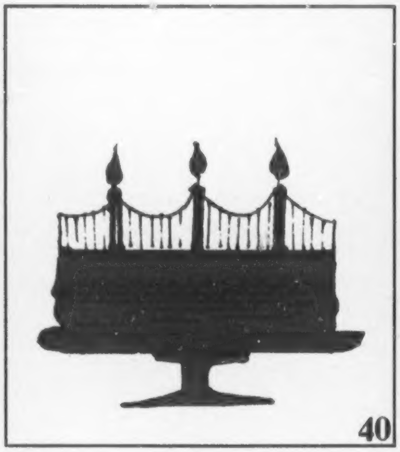
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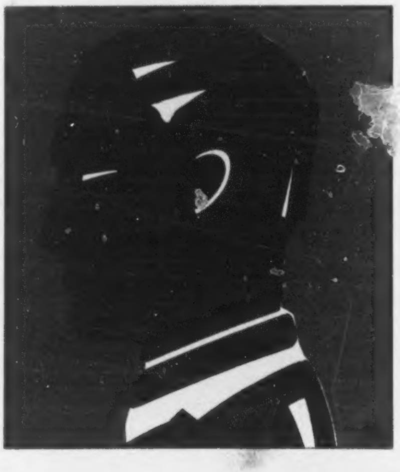


SHORT ORDER

8 ways to add your caring and your action to ending hunger

Think about sponsoring one of the following promotional activities on World Food Day, Sunday, October 16. Before you begin planning, you may want to check with local charitable groups to be sure that your efforts will not conflict with anything they have scheduled.

- Announce on the radio and in newspaper ads that your restaurant will donate a specific sum of money to a charitable organization for every customer that comes into your operation on World Food Day.
- Prepare food baskets for the needy in your community, or serve food to them during that afternoon.
- Donate prepared food to groups like "Meals on Wheels," which go to senior citizens unable to prepare their own meals or go out.
- Get together with your local restaurant association or bring all of the restaurant owners in the community together for a joint effort to feed the needy or homeless in your city on Oct. 16.
- Prepare picnic packs for a local orphanage.
- Sponsor an auction. Ask the community to bring in items which can be auctioned off. Announce that all the proceeds from the auction will be donated to a world hunger fund or local charity.

A
F
O
FOOD COMES FIRST

- Get your customers involved. On World Food Day, ask them to give up their dessert and donate the cost of a dessert to a charitable organization. Stipulate that you will match the amount that every customer donates. Call the event "Let them eat cake." Again all the proceeds can be donated to a local charity or a worldwide food fund.
- Sponsor a gala event with the other restaurants in the community—something much like a "Taste of the Town" festival. Each of the restaurants could be responsible for preparing a particular international dish. Hold the gala at a community center. Collect a donation at the door, and give all the proceeds to a worldwide food fund.

Make sure that your local press is aware of World Food Day. Prepare press releases about the event which you sponsor. You should be able to get free announcements and publicity for these public service activities.

For more information, contact the National Committee for World Food Day, 1776 F. Street, N.W., Washington, DC 20437 (202) 376-2306.

Enroll now for new catastrophe major medical plan

The National Restaurant Association is offering a new membership insurance plan that pays benefits beyond those provided by basic health insurance. The charter enrollment period for this million dollar catastrophe major medical insurance plan is now in progress.

During this enrollment period, members and spouses regardless of age are guaranteed acceptance. Unmarried dependent children to age 25 qualify automatically. Enrollment ends Nov. 1, 1983.

The new plan is designed as backup protection for extraordinary medical/hospital/surgical/convalescent expenses brought on by a catastrophic illness or accident. These benefits tie in with an existing basic major medical or hospitalization insurance plan.

Because this is supplemental protection, the plan includes a $25,000 deductible. Expenses under the deductible will be paid by basic health insurance policies. Expenses over the deductible, however, are covered—up to $1,000,000 in benefits for five full years. A period of two years is given to reach the deductible amount.

Should more than one insured family member be injured in the same accident—or contract the same disease within 30 days—only one deductible will apply for those involved. Yet each insured is eligible for full benefits. This is just one of the outstanding features of this new plan.

For further information, contact NRA or NRA's insurance administrator Albert H. Wohlers & Co., NRA Group Insurance Plans, 1500 Higgins Rd., Park Ridge, IL 60068.

NRA NEWS followup

☐ *March issue:* **MINORITIES IN FOODSERVICE.** Burger King Corporation, its Minority Franchise Association and Operation PUSH have announced a joint trade covenant that will increase substantially business and employment opportunities for blacks and other minorities. The agreement, in effect through mid-1987, calls for increasing the number of black and minority employees, expanding black and minority participation in management, significantly increasing the number of black franchisees and black-owned restaurants, upgrading existing minority-owned restaurants, hiring a black advertising agency and selecting minority contractors and suppliers.

☐ *April issue:* **CLIP-ONS.** According to a study by the North Atlantic Seafood Association, clip-ons are considered special and desirable. "You can't usually go wrong with an item clipped onto the menu," some of the respondents said.

☐ *May issue:* **CARRYOUT/HOTEL.** The Amway Grand Plaza Hotel in

State restaurant association feeds hungry Senators

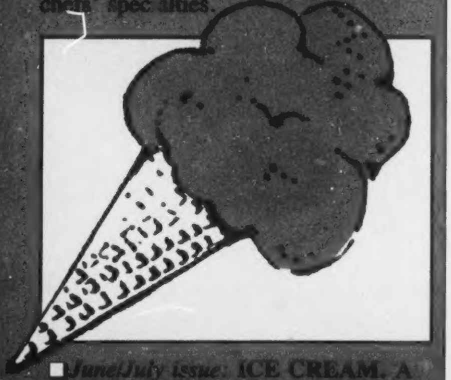
When US Senator Jesse Helms (R-NC) button-holed John Hitzel, foodservice director of the US Senate Restaurants, with a request to feature "good ole North Carolina barbecue" on the Senate Dining Room menu, Hitzel knew just what to do. He called the North Carolina Restaurant Association.

T. Jerry Williams, executive vice president of the NCRA, sent an SOS to NRA member Wilbur King of King's Restaurant in Kingston, NC—a restaurant that is known for its pork barbecue prepared in the eastern North Carolina tradition. King chartered a small plane, and he and Williams flew to Washington, DC, with 60 servings of "North Carolina pork barbecue and all the trimmings."

Sen. Helms joined the restaurant association delegation for lunch in the dining room and encouraged many other senators to try the delicious meal. "This is the best meal I have had since I have been in the Senate," Helms said. "Thanks to you folks, the Senate is eating high on the hog today."

Wilbur King (L) and John Hitzel make sure all the ingredients for the "good ole North Carolina barbecue" arrived safely at Washington, DC's National Airport.

Grand Rapids, MI, has opened Cornucopia, a new food specialty shop with gourmet carryout as well as on-site eating. The emphasis is on hotel-prepared delicacies, such as croissants, brioche, Black Forest torte, pates and chefs' specialties.



■*June/July issue:* **ICE CREAM.** A two-day binge for ice cream lovers was held last month at the Hyatt Regency O'Hare. Restaurants in the hotel offered special ice cream menu items, including ice cream crepes and fried ice cream. Other attractions: a soda jerk competition, "the World's Greatest Soda Fountain," an ice cream trivia quiz, a Lana Turner look-alike contest and an ice cream social and sock hop.

Hotel and motel survey in the works

If you work in a hotel, your establishment may become a statistic. The Bureau of Labor Statistics (BLS) of the U.S. Department of Labor is surveying occupational wages, tips and supplementary benefits in hotels and motels this summer in 26 selected metropolitan areas.

BLS field representatives will visit a probability-based sample of establishments to collect data on wages by occupation as well as information on supplementary benefits. Information on average tips will be obtained for those employees who customarily receive tips. Summary data will be published, ensuring that the identity of individual participants will not be disclosed.

The Bureau expects to publish reports for the individual areas in late 1983 and early 1984. The comprehensive report on the survey will be available by the fall of 1984. Any of the various publications associated with the survey may be obtained by writing the Bureau of Labor Statistics, Washington, DC 20212, or any of its regional offices in Atlanta, Boston, Chicago, Dallas, Kansas City, New York, Philadelphia and San Francisco.

At-home cooking class

If your operation makes it impossible for you to get away or to send one of your employees to training classes or educational sessions, the Restaurant, Hotel and Institutional Management Institute (RHIMI) at Purdue University offers an alternative: correspondence classes.

The newest program in this series has just been developed and is designed to teach the skills of professional cooking in 100 hours or less. According to RHIMI Director Brother Herman E. Zaccarelli, participants are taught both "the basics and the art of professional cooking through activities, case studies, reading assignments, self-tests." Hundreds of recipes are provided, complete with instructions and background information about standards and equipment usage. RHIMI instructors are also "on-call" during normal office hours to answer any questions that might come up.

Students who enroll in this class are given two recently published textbooks, a select series of articles from foodservice magazines and a workbook. At the conclusion of the course, students send in an examination, included in the workbook, to the educational board at RHIMI. If the exam is successfully completed, participants are awarded a certificate affixed with the seals of Purdue University and the Hospital, Institution and Educational Food Service Society, which cosponsors the program.

For further information, contact Brother Zaccarelli at RHIMI, 116 Stewart, Purdue University, West Lafayette, IN 47907, (317) 494-2749.

WASHINGTON REPORT

NRA testifies against
TIP REPORTING ALLOCATION

In testimony delivered before the Senate Finance Committee in June, NRA Government Relations Director Ronald Sarasin said that allocation under the new tip reporting law is "unworkable and should be replaced by a simplified reporting scheme. Compliance problems cannot be solved through mandatory allocation, and NRA is willing to offer this committee a method to achieve compliance goals without resorting to allocation."

Senator Robert Dole (R-KS), who chaired the hearing, agreed with NRA that "modifications" to the law need to be made and admitted that the allocation procedure may be a "nightmare" for some operators. "No doubt about it, there are some problems that need to be addressed, but we don't want to lose sight of our obligation to collect taxes that are due," Dole said. The senator added that he will not support any changes in the law that would result in a reduction of tax revenue.

The June 23 hearing was held to explore possible measures to reduce the $100 billion annual tax compliance gap and to evaluate the effectiveness of additional reporting requirements in encouraging tax compliance.

"Regrettably, what we have learned is how *not* to improve taxpayer compliance," NRA said of the brief but painful history of the new tip reporting law. "We have learned valuable lessons that we feel compelled to share with this committee before it considers further legislation to improve taxpayer compliance."

NRA said the first lesson it would offer the committee "is that improved compliance cannot occur when Congress and the IRS do not fully understand an industry affected by proposed tax changes." NRA noted that it is "both unrealistic and unfair to assume, for example, that restaurant employees receive at least eight percent of gross receipts in tips, yet the new tip reporting law has this very expectation as its basis. The law simply does not acknowledge the great diversity in the restaurant industry or the great variation in tipping habits, depending on locale and economic conditions."

NRA stated that under the new law it is not inconceivable that an employer "may find himself in the untenable position of allocating additional tip income to an employee who actually has received far less than the tip threshold set for the establishment."

Sen. Robert Dole

> "No doubt about it, there are some problems that need to be addressed, but we don't want to lose sight of our obligations to collect taxes that are due."

NRA also pointed to complicated tip pooling and splitting arrangements not adequately addressed in the law as well as possible conflicts the new law poses for employers with current Department of Labor regulations and the Internal Revenue Code.

"Another lesson we have learned is that any change made in the tax code to improve compliance must be easy to understand and simple to administer," NRA said. "The new tip reporting law fails on both counts. If tax attorneys, accountants and even IRS agents have difficulty understanding it, will the average operator have the foresight and patience to interpret the new law? We doubt it."

NRA also said that taxpayer education is crucial to the success of any attempt to increase compliance. "The lack of public information on the new tip reporting law and the lack of knowledge on the part of local IRS offices has been appalling. We find it unconscionable that the federal government would change the tax law without making any effort to educate those affected by the change. It is something akin to a restaurant menu noting there has been a change in the 'special of the day' but failing to indicate what it is."

NRA told the committee it supports and encourages increased taxpayer compliance, provided it does not force individuals to pay taxes on income they have not received, it does not violate other laws and regulations and it does not pose an unreasonable recordkeeping burden.

NRA Board votes to support changes. . .

At its May meeting, the NRA Board unanimously voted to support legislation which would make these changes in the tip reporting law:

- eliminate allocation and substitute reasonable reporting requirements;
- exclude from coverage of the law establishments where tips clearly fall below five percent of gross sales and
- define the term "establishment" to mean unit, as Congress intended, and therefore exclude from coverage of the law units, owned by a corporation or one individual, with less than 11 full-time employees.

Sodium bisulfite update

The Food and Drug Administration (FDA) has asked for more time to review the effects of sulfiting agents on consumers before issuing a final regulation. A proposal presented last summer would have kept the chemicals on the government's Generally Recognized As Safe (GRAS) list.

Sometimes used to prevent discoloration of fresh fruits and vegetables, the chemicals have been alleged to cause severe reactions in certain individuals, particularly asthmatics. As a precautionary measure, NRA issued a bulletin in February requesting that members stop using the preservatives on fresh foods prepared in restaurants. FDA has since revised its model food code to require retail-level labeling when sulfites are used on fresh produce.

FDA Commissioner Arthur Hayes maintains that since the publication of its proposal, the agency has received approximately 50 reports from consumers describing reactions to sulfiting agents. "The agency has concluded that this problem is of sufficient concern for asthmatics that they should be informed when sulfiting agents are added to food," he said.

Regarding a report that an individual died last year from eating food treated with sodium bisulfite, Hayes said FDA is "undertaking a thorough examination of this" and is "also investigating other cases of reported adverse effects from sulfiting agents."

FDA also plans to form an advisory committee made up of health professionals outside the agency to make recommendations on how to deal with use of the preservatives in foods and drugs.

SBA may change size standards

Small may soon be much bigger in the eyes of the Small Business Administration.

Under a new federal proposal, the small business size standard used for restaurants and drinking places would be raised from $2 million in annual sales to $3.5 million, an increase of 75 percent.

Contract feeders would also be affected by the new definition and would be considered small if their sales were $10 million or less (roughly double the current procurement standard of $5.5 million).

The proposal appeared in the May 6 *Federal Register* and is a dramatic departure from an earlier plan by SBA to base the standards on the number of employees in an establishment instead of on annual gross receipts.

In 1980 SBA proposed replacing the current $2 million sales threshold for restaurants with a standard that would define as small a restaurant with 50 or fewer employees. Later, after protest from the industry and testimony from NRA, SBA upped the number of employees to 100. Now SBA has dropped the plan altogether and has proposed leaving the gross sales measurement in place, adjusting it for inflation.

NRA testified against the 1980 proposal at several SBA hearings and submitted written comments as well. NRA's major argument was that the proposal did not adequately consider the part-time employees who work in foodservice, making SBA's employee threshold unrealistically low. NRA urged that the dollar volume standard, periodically adjusted for inflation, should be retained as the measure for business size in the foodservice industry.

SBA's size standards determine a company's eligibility for SBA assistance, which is usually in the form of direct or guaranteed loans, management or technical assistance as well as special set-aside programs. The standards are also used by all federal agencies in their programs for small business procurement contracts and research and development funding.

Mazzoli discusses immigration bill

The Immigration Reform and Control Act of 1983 (S. 529, H.R. 1510)—a major bill that would change the nation's immigration laws—is now working its way through Congress. It has already been passed by the Senate, and it has been approved by the House Judiciary Committee. A provision that would penalize employers for hiring illegal aliens and require additional recordkeeping is of particular concern to NRA.

NRA and other business groups were successful earlier this year in persuading members of the House Judiciary Committee to adopt an amendment offered by Rep. Tom Kindness (R-OH) to make some of the paperwork and verification requirements under the bill voluntary. However, the Kindness amendment was not adopted by the Senate.

Recently ***NRA NEWS*** talked to Rep. Romano Mazzoli (D-KY), chairman of the House Judiciary Subcommittee on Immigration, and chief sponsor of the House bill. Below are excerpts from the interview.

NRA: Given that a nearly identical immigration reform bill failed to pass last year, what are the chances in this Congress for adoption?

Mazzoli: I think it will pass. There is a different climate now in Congress. I think the leadership, which torpedoed the bill last year, won't do that this year. I think, also, that there is a growing concern about the overall immigration situation, not just along the southern borders, but all around the country. More and more people are concerned about what appears to be a nation without an immigration policy and a border which is really no border at all.

Last year, the bill reached the floor in the very last, waning moments of the 97th Congress. This year we are far ahead of that timetable. However, it can't be ignored that 1984 is a presidential election year, which means that everybody will want as little controversy as possible on the floor. A third of the Senate will be up for reelection and, of course, everyone in the House, so many will want to get back home to campaign. I think that unless we pass our bill in 1983, and probably fairly

soon, we might get caught in that last minute rush, even though "last minute" doesn't start for another 12 months.

Q: Our members are very concerned about the employer sanctions provision of the bill. What is the rationale behind what seems to be a dramatic shift of immigration law enforcement from government to employer, especially the requirements that employers check employee identification cards and face new penalties if they are found to have "knowingly" hired an illegal alien?

A: I am not sure it is a shift. The government still remains the major enforcer of the law and would still have the responsibility of policing and securing the border and making on-site investigations. The bill asks employers to share the responsibility of enforcing the law, just as the IRS and the Treasury have asked employers to share responsibility in collecting taxes.

Now, that is not, to me, a philosophically hard thing to accept; there is enough precedence for it. Have we asked employers to do too much? Have we made the paperwork too burdensome, too complicated? I don't think we have, but obviously many employers think so.

There is a feeling in Congress that the employer sanctions are an important part of this legislation, even the centerpiece of a multifaceted effort to attack the problem of undocumented entry into this country.

Yet we realize that employers are not in the business of filling out forms. Employers are in business to produce widgets or, in your case, to serve meals—and to make money doing it. If in our own endeavor to solve the immigration problem we thwart the employers in that effort, we have created problems for them in making a living.

So we have kept that in mind, especially in the House version with the Kindness amendment, which makes at least part of that paperwork less of a burden.

Q: You supported the Kindness amendment then?

A: I did. As a matter of fact, so did [House Judiciary Committtee] Chairman Rodino, which I think is significant because he has never been sympathetic toward employers on this issue.

When it was first proposed—and the NRA was one of the prime movers in this effort—that the paperwork be voluntary, it made sense to me. The truth of the matter is that most employers aren't close to this immigration problem, and if the paperwork were mandatory, they would be filling out a lot of forms that would never be looked at. It makes sense that an employer shouldn't have to keep paperwork until an immigration official has come and said, "My friend, unfortunately you violated the law. You've got someone on the premises without paper. So from now on, you must examine everyone you hire." The recordkeeping is triggered, then, on the basis of some wrongdoing. That would relieve most employers from having to keep paperwork.

Q: Once the paperwork requirement is triggered, how long must an employer continue to comply?

A: Prospectively forever.

Q: So there really is no way to get out of it once that first violation has occurred?

A: No, you don't opt out of it. That is not contemplated in the bill. The Senate bill says you fill out the paperwork from day one—forever. You don't have any opportunities to ever not keep it. So, it's a choice Congress has to make.

Q: What are the chances of keeping the Kindness amendment in the final bill?

A: I don't know. I hope we can keep it in, but I hope we can keep a lot of other things in the bill as well. There are certain leaders in the House, not the least of whom is Chairman Rodino, who have said that unless the bill, in one or two areas, comes back from conference looking exactly like what we sent over, there will not be a bill.

But on some of the issues, we will have to concede to the Senate if we're to have any legislation at all. It is conceivable that they will zero in on the Kindness amendment. They might feel that this is a concession to employers and that it would be unfair to the people who have been led to believe there will be a very stern enforcement effort.

Q: How do you answer charges that the employer sanctions will result in increased discrimination against minorities?

A: We have had that question from the start, and I think we've tried to answer it honestly in our bill by providing that if a person believes he has been rejected for a job because of racial or other discriminatory treatment, he can go to the Equal Employment Opportunity Commission (EEOC) and file a charge. Our bill also provides for an extra $6 million a year and 200 additional positions to overcome some of the staffing troubles people say EEOC has. And there would be a task force that includes the secretary of labor, the attorney general and the director of EEOC to investigate and act on any complaints of discrimination.

One of the reasons we put the mandatory paperwork requirement in the original version of the bill was to counter arguments that there would be discrimination. Under the original bill, everybody would be required to show some form of documentation, and employers would be penalized for failing to keep the paperwork.

—Jay Morris

THE LAW

NRA fights operator harassment by the Department of Labor

A recent federal court case demonstrates how frustrating and expensive it can be for NRA to fight a government agency's erroneous interpretations of the law.

The case at issue is *The Petrancosta Case*: (*Donovan* v. *Petrancosta Corporation t/a Cross Keys Inn, et. al*, U.S. District Court for the Western District of Pennsylvania, Civil Action No. 81-1978.)

In March 1981 NRA learned that the U.S. Department of Labor (DOL) Wage and Hours Administration was enforcing its exempt manager rule in a manner contrary to law and clearly not in accordance with the provisions of DOL Regulation 29 CFR 541.103.

The facts in the case. . .

The Cross Keys Inn restaurant in Pittsburgh, PA, had hired a succession of four chief chefs to run the kitchen area. All chefs had advanced training for their work, two having graduated from the Culinary Institute of America. All four chefs received between $265 and $287 per week in salary and were called upon to work varying hours—from 52 to 62 hours per week.

Each chef, while on duty, was in complete control of the operation of the kitchen and was responsible for the supervision of all its employees. The chef was responsible for planning all menu changes and seeing to it that the meals were properly prepared. As meals left the kitchen, he personally inspected them for portion and quality control. He was responsible for taking an inventory of the kitchen supplies and placing food orders each day. When necessary, he cut meat and cooked soups and sauces. At such times, he instructed cooks in food and meal preparation. A portion of the chef's workday was also spent at the steam table, but again during this time the chef supervised cooks and checked for quality control. At the end of the workday the chef supervised the cleaning and scrubbing of the kitchen.

As a result of a complaint from one chef, the Wage and Hour Administration conducted an investigation of the Petrancosta operation. It ruled that none of the four chief chefs qualified as exempt executives, and, therefore, all chefs must be paid by the hour and given overtime. The DOL recomputed the four chefs' pay, assessing the corporation $1,300 in unpaid wages.

NRA intervenes with appeal . . .

NRA staff followed the investigation from its initial stages, providing advice about requirements of the law and regulations. This participation occurred at several levels of review authority: (1) the local wage and hour administration, (2) the regional wage and hour administration and (3) finally the Washington, DC, wage and hour administrator's office. Here NRA intervened with a lengthy written appeal which reviewed the facts and law and took the position that the four chefs were qualified as exempt executives. This appeal was summarily denied with the assertion that NRA did not have the benefit of all the facts.

> Most businesses find it sounder economically to pay what the Department of Labor says than to fight even an unjust ruling.

When it became apparent that DOL was ready to take this case into federal court and sue for the $1,300 alleged back wages, NRA entered into an agreement with its member, Mr. Petrancosta, to finance his defense to create a test case. As frequently happens, it would not have been a sound business decision for Petrancosta to resist DOL's order. Most businesses find it sounder economically to pay what the Department of Labor says than to fight even an unjust ruling.

NRA retains attorneys to create test case. . .

For the next two years, NRA retained attorneys who were engaged in deposition and discovery proceedings. At one point, NRA counsel found it necessary to present extensive pleadings to the court to order DOL to cooperate in preparation of responses to interrogatories.

When the pre-trial procedures had been completed, a trial date was set and both litigating parties were ordered to present their statements of facts of the case. NRA's retained attorney presented his factual summary in a timely manner. DOL did not present its factual summary. Instead, the DOL attorney called the NRA attorney and offered to settle the case for an amount less than the $1,300 demanded. This request was denied because NRA wanted to obtain a precedent from the court stating that, under the facts in this case, the chief chefs qualified as exempt supervisory personnel.

After more than two years of consistently saying their position was right and NRA's position was wrong, after two years of expensive harassment and the expenditure of many thousands of dollars by NRA on behalf of the defendant in necessary attorney fees, the Department of Labor suddenly reversed its position and asked the court to dismiss the case. DOL would thus avoid a precedent and could make identical claims for back wages against some other restaurant operator.

On April 29, 1983, the court did dismiss the case. However, at the request of NRA counsel, the order of dismissal describes the situation under which DOL requested dismissal. Further, NRA has asked the court to require that DOL pay for NRA's attorney fees. NRA also requested that the Wage and Hour Administration issue an opinion letter stating that given the Petrancosta facts, a chief chef is an exempt supervisory employee. This request was refused.

The Petrancosta exempt manager issue is a typical case in which NRA has provided its members with staff and financial support on issues critical to the foodservice industry in order to contest governmental agency determinations which appear to be clearly contrary to law. In spite of the frustrations in dealing with the government, NRA believes that the benefits to the industry justify the efforts.

—Clyde Griffith

THE BOARD ROOM

Board votes for dues increase

At its May meeting, the NRA Board voted a dues increase. This is NRA's first increase since 1979 and is caused by the increased cost of providing needed services.

"NRA dues are still well below those of other trade associations, and we believe our services to members are unsurpassed," said NRA Treasurer Ted Balestreri.

The increase is approximately 10 percent for most members. New dues categories were, however, created for the larger companies.

Previously, all companies over $92 million in annual sales paid the same dues. In the future, there will be categories at $100 million, $500 million and $1 billion. These new categories, said Balestreri, better reflect the nature of the industry.

"Our member survey showed great satisfaction with the wide diversity of programs NRA offers. Members praised the information on legislation and regulation, the Show, the seminars, *NRA NEWS* and *Washington Weekly* as essential services which they appreciated," said NRA President Joe R. Lee, referring to a survey conducted for the association by Dr. Philip Kuehl (see special report page 9). "We are sure the members will be willing to pay a little more in dues to see that these essential services are maintained."

The dues increase will affect 1984 membership and will be reflected in the billings mailed next month.

State of Michigan honors NRA Vice President Machus

NRA Vice President Harris O. Machus, president of Harris O. Machus Enterprises, Inc., of Birmingham, MI, recently received the 1983 Ambassador of Tourism Award from the state of Michigan.

The award is conferred annually by the Michigan Travel Commission in recognition of outstanding service and contribution to the state's travel and tourist industry. Machus was one of six recipients to receive the award, which was presented by Michigan Governor James Blanchard and his wife at the Marriott Inn in Ann Arbor.

Machus received the award in recognition of his civic contributions, his leadership activities in professional organizations and his efforts to develop a complete vacation and convention hospitality image for the state and southwestern Michigan.

Harris O. Machus Enterprises consists of three pastry shops, three cafeterias and eight restaurants, including Machus Red Fox in Bloomfield; Machus Adams Square, 160 by Machus and Machus Sly Fox in Birmingham, Mr. Mac's Stable in Dearborn and Foxy's in Rochester, Clarkston and Troy.

Vice President Machus proudly accepts tourism award from Michigan Governor James Blanchard.

Balestreri awards Jarvik American Academy of Achievement's Golden Plate Award

Ted Balestreri, NRA treasurer and president of the Sardine Factory in Monterey, CA, presented Dr. Robert Jarvik, the inventor of the artificial heart, with the American Academy of Achievement's Golden Plate Award at the 22nd Annual Salute to Excellence Weekend in Coronado, CA, July 7-10.

The academy's Salute to Excellence Weekend recognizes achievers from all walks of life for their contributions as role models to the youth of America. Each year 40 to 50 industry leaders are honored by the academy. In addition to Jarvik, this year's winners include five Nobel laureates and four Pulitzer Prize winners.

Honor students from high school and technical schools across the nation are invited to attend the annual symposium, which features speeches by celebrated leaders who recount the challenges and successes of their careers. These students are sponsored by private individuals, industry leaders or corporations and receive all-expense-paid trips to the weekend. While hundreds of pupils participate in this annual event, this is the first symposium attended by a culinary student.

Balestreri, a recipient of last year's Golden Plate award and a member of the academy's executive committee, acted as a sponsor for Roland Roy, Jr., a student at the Culinary Institute of America (CIA). Commenting on Roy's attendance he said, "This is the first time the achievements of a culinary student have been recognized."

Though still a student, Roy has already begun to carve out a career of excellence in foodservice. In addition to receiving a state gold medal in commercial food trades from the Vocational Industry Clubs of America (VICA), he won a gold medal in VICA's 1982 U.S. Skills Olympics in Louisville, KY. Roy is pursuing an associate degree in occupational studies at CIA.

Results of NRA member survey show
NRA meets industry needs

In January 1983 the National Restaurant Association conducted a member survey. The results of this survey characterize general member attitudes toward the association and reactions to specific programs.

The study was done by a consultant who provided an independent evaluation of the results. It was based on a random sample of telephone interviews with 700 organization members.

Members view NRA in a positive light...

Survey results reveal that the overwhelming majority of NRA members view the association in a positive light. The consultant who conducted the survey reported that, compared to other national associations for which the consultant has done similar studies, NRA ranks number one in terms of general member satisfaction. In addition, there is no significant difference in this generally favorable attitude toward NRA by type of membership or sales size of the member's company.

- Nearly eight out of 10 members believe NRA is very effective in meeting restaurant industry challenges.
- About nine out of 10 members agree that NRA services and programs are worth the cost of their company's dues to the association.
- About 85 percent of the respondents maintain that NRA's staff is very responsive to their requests for information.
- Three–quarters of the members say NRA programs are effective in raising the level of business management expertise in their company.
- Sixty-eight percent agree seminars and publications from other sources will not reduce their reliance on NRA for such services.

About half of NRA's membership had personal contact with the association staff in the past year. This is a relatively large proportion, and it is indicative of a high degree of membership involvement with NRA. Also, an overwhelming majority of these personal contacts—94 percent—were judged to be satisfactory by the member who contacted staff.

Members rate programs and services...

Fifteen major program areas were rated by members. The response helps to identify five essential core benefits, six supporting benefits and four other benefits.

Compared to most other associations, this overall mix of benefits is extremely favorable. Similar trade associations have many fewer benefits that members regard as essential.

Members were asked to rate the benefits according to familiarity, use and value.

The five essential core benefits NRA members identify are

- general information on laws and regulations
- the NRA convention and educational exposition
- the *Washington Weekly* newsletter
- the educational seminars and
- the **NRA NEWS.**

Familiarity with these essential core benefits is very high. Use of these services is frequent to very frequent, and they are rated as very valuable.

The six supporting benefits are

- NRA's "800" telephone number
- the NRA publications catalog
- public health and safety studies
- library and information service
- consumer research and operating ratio reports and
- *PRO-Motion* newsletter.

Familiarity with the supporting benefits is high. Use of these services is somewhat frequent to frequent, and they are rated valuable to very valuable.

The four other benefits are

- grandparent and restaurant month promotions and the menu contest
- the national conferences
- projects with industry and
- NRA's insurance program.

Here familiarity with these programs ranges from very high to low, but use is infrequent. These benefits appeal to a small constituency.

Issues affecting future of foodservice...

Members were also asked to rank the importance of 14 issues affecting the future of foodservice. These responses, shown in the accompanying table, suggest current and future directions for NRA.

Issues affecting the industry in the future

Industry issues	Order	Very important or somewhat important
Minimum wage and Labor Department regulations	1	76.6%
Food costs and inflation	2	76.4
Energy costs and regulations	3	69.9
Tip income reporting requirements	4	69.5
Liquor consumption and its relationship to drunk driving	5	60.9
The tax deductible business meal	6	59.9
Human resource issues . . . including the motivation and training of employees	7	58.9
Public health and safety regulations	8	57.9
Beef grading standards	9	52.7
Changing consumer attitude and lifestyle issues	10	51.5
Expanded use of computer technology	11	50.0
Sodium content in food	12	24.8
Smoking/non-smoking issues	13	24.6
Employment of alien workers	14	18.6

Tomorrow's Menu

Restaurant customers move toward lighter fare

SERVING UP HEALTH

NUTRITION IN TODAY'S RESTAURANT

A consensus about a healthy diet seems to be arising among your customers. The proliferation of low-calorie, low-sodium and low-cholesterol food items—from diet drinks to yogurt—as well as weight-loss and exercise programs and activities tell some of the story. Add to this an increase in consumption of seafood, poultry and salad; add a growing population of elderly persons whose diets may be restricted because of health reasons; add a large subgroup of expense-account diners for whom weight gain is an occupational hazard; and add official, government-issued dietary guidelines—counseling reduced consumption of fats, sugar and salt and increased consumption of whole grains, fruits and vegetables—and you have the ingredients for a widespread trend towards lighter fare.

by Christine Van Lenten

Since the government's "Guidelines for Nutrition" first appeared six years ago, these principles have been widely publicized in the media and in schools. Carefully crafted to minimize controversy, the guidelines are centered on a theme of variety and moderation, and they offer modest, sensible—and vitally important—advice. Although written with the consumer in mind, they offer valuable pointers for restaurant operators.

Presented as seven separate items, several guidelines are closely interrelated. These are

1. reduce fat consumption
2. increase fiber consumption
3. reduce salt consumption and
4. reduce sugar consumption.

Light fare: the new emerging market. . .

What type of food meets these criteria? Loosely defined as "light fare," it is a broad category that seems to mean somewhat different things to different people. It includes such traditional menu items as consomme, steamed mussels, undressed salad, pasta in a light tomato sauce as well as fresh fruit and such innovative dishes as peppery Italian green arugola garnished with slivered duck breast or a light sherbet made from fresh raspberries and garnished with kiwi fruit.

In general, light fare leans toward seafood and poultry; whole grain baked products; vegetables seasoned with herbs; sauces based on stock reductions and less butter, lard, salt and sugar in recipes.

Light fare places a premium on quality, featuring the freshest ingredients and "minimalist" methods of food preparation, which include steaming, quick sauteing and grilling, rather than frying. These methods reduce fat content, conserve nutrients and maximize the flavor that freshness is intended to deliver.

Light fare can combine familiar ingredients in new ways, as in the cold pasta salads that are increasingly popular on menus and as take-out items or a grilled fish that has its lemon butter served on the side to be applied at the patron's discretion.

Light fare can celebrate regional American cooking, French cuisine, Japanese, Chinese, Mexican—in short, it offers unlimited possibilities.

Light fare is finding its way onto menus of every description. In some places it is displacing heavier items; in others, supplementing them.

An instructive case in point is Burgermaster, of Seattle, WA. Established in 1952 as a hamburger outlet, Burgermaster now has seven locations in the Seattle area; and its menu has expanded from its staples of hamburgers, french fries, coke and apple pie to include sandwiches, homemade soups, fish, chicken and other fruit pies.

Essentially still a fast food outlet, it recently introduced salad bars into several of its locations and found them so successful that it has expanded them to all of its non-drive-in outlets.

Lester P. Jensen, Burgermaster's founder and president, reports that the only explicitly low-calorie item on his menu is a lo-cal salad dressing, but that "We sell what our customers want, and they want lighter fare." Jensen notes that some of his customers have eaten at Burgermaster since it opened and that as they have grown older, Burgermaster has responded to their changing dietary concerns.

Along with his handsome and successful salad bars, other menu items reflect the trend toward more health-conscious fare. Burgermaster has reduced the amount of salt in its homemade soups, and it now makes its own fruit pies, using twice as much fruit and half the crust of the pies it used to sell. Jensen notes proudly that at 99 cents a serving, his pie is still profitable.

Ella Brennan, NRA director and an owner of Commander's Palace, a fine dining establishment in New Orleans, LA, observes that her menu has gone lighter over the years. "With Creole cooking," she notes, "we always used to start by saying, 'First, you make a roux.' But now, we don't use flour. Instead, we use great stocks and reductions to make lighter, more delicate sauces with more intense flavors."

Brennan reports that grilled fish is one of her most popular items and that Commander's Palace continually experiments with other light dishes. She emphasizes that freshness, quality, regional cooking and seasonality are central to the fare her customers want and that to her suppliers, she says, "If it's not fresh, we don't want it."

At The Manor, a large, well-known dinner house in West Orange, NJ, owner and NRA Director Harry Knowles says of light fare, "Yes! We're into it. We feature classic cuisine, but we use touches of light where it makes sense. We see a trend to seafood, and we find it's versatile. You can prepare it many more ways . . . steam it, saute it, grill it . . . . There are six ways to prepare seafood, but only one way to serve prime rib."

"Light fare: The market is here"...

"Light fare? It's not emerging. The market is here." So states Charles A. Muer, president of the C. A. Muer Corporation in Detroit, MI, which operates a number of seafood-based dinner houses, including Charley's Crab in Washington, DC. Muer attributes his success to a customer who wants higher quality, fresher food and who is concerned with fitness. Muer's seafood houses may be the contemporary version of the venerable steak house, and, indeed, many steak houses have added a few seafood items to their menus.

A Washington, DC, restaurant management firm that operates a chain of family steak houses has introduced a baked fish item and has had such success with customers that the chain is planning to offer it in all 35 outlets.

Light fare is finding its way onto menus of every description.

Another Washington-based establishment, The American Cafe, is gaining a national reputation for the success it has had offering an imaginative, varied cuisine. Now operating at three locations in Washington and one in Baltimore, MD, the cafe centers its fare on quality and freshness.

Although not all menu items at the American Cafe can be called light fare, those that are light have won plaudits from *Weight Watcher's Magazine*, which recommended the cafe to dieting tourists. The cafe's fresh fruit platter and gazpacho are popular choices. All dressings can be ordered on the side, and customers may request varying combinations of menu items.

On a much vaster scale, one of the boldest ventures into light fare has been taken by the Marriott Corporation, which in March of this year launched a "Good for You" national menu, offering well-balanced meals low in cholesterol and fat. Marriott's special menu was approved by the American Heart Association's Creative Cuisine program, an educational effort geared to encouraging restaurateurs to offer fare that conforms with its dietary concerns for preventing heart disease.

Why did Marriott embark on this venture? "Because our customers kept telling us they wanted it," explains Karl Kilberg, Marriott's vice president for hotel food and beverage operations. Survey forms provided in hotel guest rooms kept turning up with complaints about the difficulty of finding menu items that conformed to dietary concerns. "At first, we didn't pay much attention to them," says Kilberg. "But gradually we realized that there was a need here and that we could be providing a real service."

Marriott's special menu accompanies efforts to promote and expand the availability of exercise facilities throughout Marriott's 120 hotels.

While it's too early to evaluate the results, Kilberg notes that one special light menu item, chicken orientale, is so popular that it may soon graduate to the regular Marriott menu.

Light fare: Does it cost more to prepare?...

Does light fare cost more to prepare? The answer seems to depend on who you're talking with but all indications are that, at the very least, light fare is paying its way.

Lester P. Jensen, head of Burgermaster in Seattle, states that his custom-crafted salad bars are costly to install and do generate higher labor costs, particularly since he has abandoned the use of bisulfites in favor of preparing fresh greens twice a day. But Jensen is delighted with the response his salad bars have drawn and feels they are paying their own way.

Harry Knowles of The Manor in West Orange, NJ, had even more positive experience. Lighter fare, he asserts, reduces his inventory costs: Fresh foods mean less storage for canned and frozen foods. And menu items prepared to order mean less food waste.

Another aspect of the economics of light fare is the opportunity it provides to reconfigure familiar ingredients in new ways that can command a higher price than could traditional dishes. Cold pasta salads are a striking case in point. Far more elegant than their predecessor, macaroni salad, cold pasta salads can feature a virtually unlimited combination of ingredients.

Also, smaller portions can keep menu prices steady. Charles Muer of the C. A. Muer Corporation speculates that in a tight economy, consumers want to "buy better, trade up on quality." More quality conscious, these patrons will accept less bulk in a meal in favor of more quality, Muer holds.

Finally, as one executive with a Washington, DC-based restaurant management firm succintly states, "Freshness may cost more. But if it's not fresh, it may cost you business."

Marketing light fare: the menu. . .

What should a menu say about light fare dishes or options? How much dietary information should be on the menu?

Although there are no clear-cut answers, there is a widespread impression among restaurant operators that customers do not want intrusive reminders that the meals they select will contain real calories.

The American Cafe's Christine Britton believes that incorporating explicit dietary guidance on menus in the form of calorie counts would be "too depressing." Harry Knowles of The Manor is in full agreement, believing his customers are sophisticated enough to identify light items for themselves.

Where light fare is explicitly promoted, several menu styles emerge. One version is Marriott's "Good for You" menu, which is entirely devoted to more healthful fare. While this menu does not count calories, the patron understands that all meals are well-balanced and low in cholesterol and fat.

Facilities that may not want to handle two separate menus sometimes designate a portion of the menu as the "light fare corner" or use a symbol to identify light fare items on their menu.

More explicit is Stouffer's "Light 'n' Lean" menu, which notes the calorie count for each item and offers no entree with more than 450 calories. An interesting variant on this approach is being introduced by Joe Theisman's, a popular Falls Church, VA, restaurant owned by the Redskins football star. At the urging of a private nutrition consulting firm, Theisman's is serving as a pilot in an experiment to test customer response to a menu addendum that provides a dietary analysis of all appetizers and entrees.

A word of caution is in order here. Restaurants that want to promote light fare should be careful not to make any nutritional claims they can't support. On the advice of its legal counsel, Theisman's will incorporate a caveat on its menu addendum, noting that the dietary analysis was prepared by the private consulting firm, not by Theisman's.

Marketing light fare: staff support. . .

Where restaurants are offering or introducing light fare, the full understanding and support of the chefs and supporting kitchen staff who prepare this fare, and of the waiters and waitresses who sell it, can be an important factor in its success.

> "There are six ways to prepare seafood, but only one way to serve prime rib."

Ella Brennan of Commander's Palace says her kitchen staff is with her all the way on light fare. "This preparation needs talent and understanding," she explains. "Young cooks today are so much better trained. They understand. They fight you if you don't try new things."

Harry Knowles of The Manor reports that his staff is continually experimenting with new dishes and enjoys this creativity. When new items are introduced, the chefs meet with the waiters to explain the item and have them sample it, so they are equipped to present it properly to patrons.

Marketing light fare: promotion. . .

The restaurant industry can benefit from promotional efforts to let its customers know that lighter foods are available and that they can be as delicious, satisfying and festive as richer traditional items. There are a number of promotional strategies restaurateurs can follow. Such efforts can build consumer perception of a restaurant as a center for wholesome, fresh foods.

1. Restaurants offering light fare can seek the endorsement of the local chapter of the American Heart Association (AHA). If they meet AHA's standards, they may enjoy promotion through the association.

2. Ads in local papers can incorporate a reference to the availability of light fare and to an AHA endorsement, if one has been obtained.

3. Sample menus highlighting light fare can be distributed to health clubs, weight loss centers, exercise facilities, aerobic dance classes, senior citizen centers and facilities serving business travellers.

4. Capitalizing on strong consumer interest in both food and health, restaurateurs offering and experimenting with light fare can make this activity news—as a local instance of a signifi-

Towards a more nutritious menu

- When possible, prepare food that is relatively low in sugar, sodium, fat and cholesterol, as recommended in *Nutrition and Your Health: Dietary Guidelines for Americans* (available from the Government Printing Office).
- Train staff to help customers select food adapted to their tastes and dietary needs.
- Offer whole wheat bread as an alternative to white bread (make sure it really contains whole wheat flour rather than caramel coloring).
- Broil or poach meat and fish whenever possible.
- Give customers the option of a caffeine-free soda, coffee and low-fat milk.
- Offer fresh fruit as a dessert.
- When serving a baked potato, offer condiments such as sour cream and bacon on the side. Do the same with salad dressings.
- To preserve nutrients in vegetables, steam them or boil briefly until just done.
- Try thickening a sauce with arrowroot or low-fat cheese rather than butter, flour or cream.
- Feature a children's lunch pack consisting of a sandwich or hamburger on wholewheat bread or roll, carrot sticks, a piece of fruit and juice or milk.

cant national trend. They can make guest appearances at local community organizations or in the food pages of local newspapers to explain how light fare relates to health and fitness.

5. Restaurant chefs can stage cooking demonstrations that feature preparation of light fare. Such demonstrations could be expanded into mini-courses in preparing light fare for a variety of audiences, including senior citizens, students and amateur cooking enthusiasts.

6. Restaurants can provide patrons with recipes for popular light fare items.

"Grilled fish—hold the lemon butter—and a hot fudge sundae"...

Perhaps nothing more dramatically highlights the trend towards lighter and more wholesome fare than the salad bars that have bloomed in restaurants across the land, from expensive table service establishments to neighborhood diners and fast food outlets.

But at the same time that customers are queuing up at the salad bar, the national craving for rich, expensive and increasingly exotic ice creams continues unabated, and desserts generally are booming.

This observation is confirmed by restaurateurs, including Marriott's Karl Kilberg, vice president for hotel food and beverage operations. He reports that desserts are getting "bigger and gooier," especially in the form of cheesecake and ice cream. "While only around 50 percent of all patrons order dessert, those who do order, order for those who don't," he notes wryly.

Is it possible that the widely heralded "light fare" reflects nothing more than a shift of calories from entrees to desserts? As always, consumer behavior is not consistent.

But this inconsistency may reflect more than just human nature. It may also reflect a significant measure of plain misinformation. Many consumers who are genuinely concerned with diet and health don't yet have a sound understanding of the caloric and nutrient qualities of some basic foods.

Ella Brennan speaks directly to this point. "It's *perception*," she explains, citing customer demand for a souffle version of the restaurant's famous bread pudding. "Yes, the ingredients are the same," notes Brennan, "but the addition of beaten egg whites creates a perception of lightness that suggests fewer calories."

And let's go back to that salad bar. The diner who conscientiously opts for salad, assembles a wholesome plate of fresh vegetables, proceeds to drench it with an oil-based dressing ladened with rich blue cheese, smothers it with croutons sauteed in oil and sprinkles it with bacon bits, and who then stoically forgoes dessert offers a classic instance of consumer misinformation.

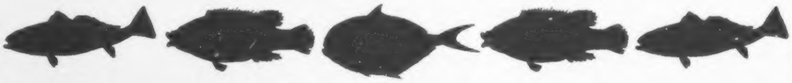
So, too, does the customer who believes that a hamburger is less fattening than a hot fudge sundae. For while that steak delivers more food value, because of its high quality animal protein, its calorie count is higher. Further, the ketchup that is poured on that hamburger is, at 28 percent sugar, the equivalent of syrup.

Conversely, some foods suffer from an undeserved bad rap. Potatoes, for instance, aren't in themselves terribly fattening, as pasta is not. It's the use of these foods as vehicles for rich sauces that make them so.

Consumer misinformation significantly complicates the task of responding to demand for wholesome, light fare, for restaurateurs must both second-guess their customers' true desires and help inform them of what is truly healthy and in the best interests of their diets.

Changing the eating habits of a lifetime is a heroic undertaking. The restaurant industry can both capitalize on consumer commitment to this struggle and help consumers wage it by offering and actively marketing fare that is truly light—and delicious. ☐

Editor's Note**: If you have a recipe that is low in fats and sugar and high in fiber, please send it to the* ***NRA NEWS *so we can share it with our readers.*



Poached Trout

Here is a recipe for poached trout supplied by Robert Greault, chef/owner of La Colline in Washington, DC.

Yield: 4 servings

Ingredients

4 fresh boned rainbow trout (8 ounces)
4 lemon wedges
4 parsley sprigs
2 tsp. chopped parsley

Garnish

1 cup baby onions—sliced thin (ring shape)
1 cup carrot slices (thin)

Poaching liquid ingredients

2 quarts water
1 cup white wine vinegar
1/2 onion—sliced thin
1 carrot—sliced thin
1 stalk celery—sliced thin
2 bay leaves
1 tsp. dry thyme
5 white peppercorns (cracked)
1/2 tsp. salt

Combine all ingredients in a small stockpot and bring to a boil. Simmer for 30 minutes. Strain the liquid.

Method

Place the trout in an appropriate pan and cover the trout completely with poaching liquid. Simmer gently on stove for 10-12 minutes. Heat the carrots and onion garnish in the same liquid for the last 5 minutes. Drain the trout on a towel and place on a warm plate. Cover the top of the trout with garnish (carrots and onion) and sprinkle with chopped parsley. Place sprig of parsley next to trout and serve with lemon wedge.

Optional: lemon or mustard sauce on the side

1 cup low-calorie mayonnaise mixed with either juice of 2 lemons or 1 tbs. imported Dijon mustard
salt and pepper to taste

Consumption trends support changes in eating habits

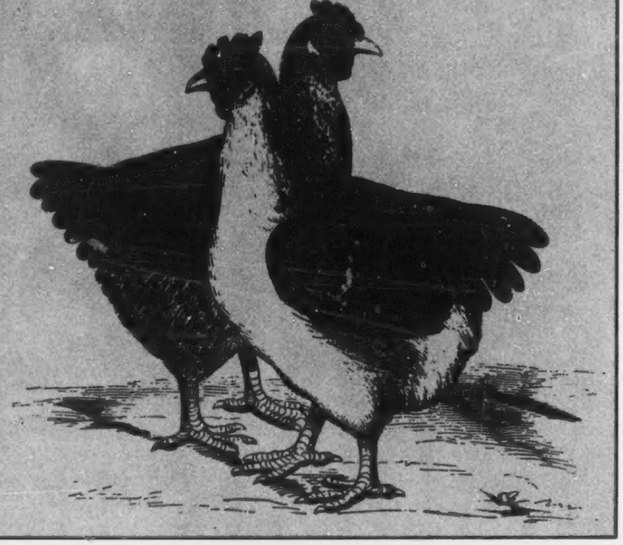
In recent studies, Americans say they are more health and diet-conscious than they have been in the past. This is particularly true of upper income consumers who tend to eat away from home more frequently than those with lower incomes.

Here is a look at long-term per capita food consumption trends which are indicative of how Americans are changing their diets. Some of these consumption trends tend to support rising interests in diet and health while others do not. For instance, the accompanying table shows that poultry and fish lead consumption increases but that sugar, fats and oils also have risen.

Changes in per capita food consumption, 1967-81

Increases in consumption	**Percent change 1981/1967**
Poultry	+38%
Fish	+21
Sugar and sweeteners	+16
Potatoes	+15
Fats and oils	+12
Fruits	+11
Vegetables	+ 4
Flour and cereal products	+ 4
Decreases in consumption	
Coffee, tea and cocoa	−19%
Eggs	−17
Beans, peas and nuts	− 7
Dairy products	− 2
Meat	− 2

Source: *Per Capita Food Consumption Index*, USDA.



Meat, poultry and fish. . .

Chicken and turkey consumption has been soaring since 1976. Pork consumption also has risen while declines have occurred for beef, veal and lamb.

Fish. . .

Per capita fish consumption has risen by more than 20 percent since 1967. Fresh and frozen fish consumption has risen from 3.6 pounds in 1967 to 5 pounds in 1981, while shellfish rose from 2.2 pounds to 2.8 pounds.

Dairy products. . .

Overall dairy consumption has declined only slightly since 1967, although consumption of low-fat milk, yogurt and cheese has increased, and consumption of whole milk, cream and canned milk has declined.

Eggs . . .

Per capita egg consumption declined 17 percent between 1967 and 1981.

Fats and oils. . .

Consumption of fat and oil products rose 12 percent in 14 years. However, the share coming from animal fats declined from 32 percent in 1967 to 19 percent in 1981. This change reflects the substitution of margarine for butter and the substitution of vegetable oils, particularly soybean, for lard in shortening manufacture as well as increased use of salad and cooking oils.

Fruits. . .

Fruit consumption is up because of increases in fresh non-citrus fruit and fruit juices. Increased consumption of fresh bananas, pears, pineapples, plums, prunes and strawberries are particularly notable. Per capita juice consumption, particularly for frozen citrus, is also up substantially.

Vegetables. . .

Fresh vegetable consumption has risen steadily since 1971, but total processed vegetable consumption has been flat. Improvements in handling and cold storage of fresh items have led to year-round availability. Salad ingredients, such as lettuce, cucumbers, celery, green peppers and tomatoes, have registered gains as have broccoli, cauliflower, spinach and garlic. Among processed vegetables, consumption of canned products has declined while consumption of frozen products has increased.

Potatoes. . .

Overall potato consumption is up with much of the increase coming from the frozen varieties.

Flour and cereal products. . .

Flour and cereal products consumption declined slightly in the early 1970's. More recently, consumption has been rising due to an upturn for rice and wheat flour.

Sugars and other sweeteners. . .

Per capita consumption of sugar rose 16 percent from 1967 to 1981. Although cane and beet sugar use declined, this was more than offset by increased use of corn sweeteners. Rising soft drink consumption, up 80 percent, explains much of the increase for sugar and sweeteners.

Capturing some of the SINGLES MARKET

By Peter Quigley

Evolving lifestyles, role perceptions and even the economy have significantly affected the traditional American family unit. One of the most dramatic changes occurring within the basic household unit is the tremendous growth in the number of single consumers.

According to the Census Bureau, the number of single households has risen 78 percent between 1970 and 1982, compared with a substantially smaller 32 percent increase in the number of all other household units. *American Demographics,* a monthly magazine that tracks statistical trends, expects this trend to continue. It predicts the total number of single households will grow from today's level of 19 million to almost 30 million by 1995—a 52 percent jump. In comparison, the number of multi-member household units should increase only 29 percent by 1995.

The single consumer presents challenging opportunities for foodservice operators, not only because of the exciting growth of this market, but also because singles tend to have higher incomes and on average spend more of their food dollar away from home than do other consumer groups. This article will focus on the expanding singles segment—their incomes, spending habits and general dining out preferences—to help restaurateurs capture some of this lucrative market. It discusses primarily younger, wage earning singles. A separate article on older singles appears on page 19.

Singles have higher incomes and spend more on eating out...

Single person households, on average, have higher per capita incomes than other consumer groups, which means these individuals are a very profitable target market for res-

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Cultivating a party of ONE

by Carol Caprione

The lone diner will not wear a mask and ride into your restaurant on a horse named Silver to right all the wrongs of your business, but lone diners can mean bottom line profits, free advertising and potential high dining numbers if properly handled and cultivated. The single diner is a fact of the 1980's American lifestyle. Singles account for one-fourth of restaurant sales and one-fifth of restaurant traffic. When compared to family members, singles are more likely to eat out, eat out more often and spend more money when they dine.

Obviously, these trends don't mean that single people will always dine alone, but they do indicate that singles may be doing so in larger numbers than ever before.

How can you make the lone diner feel comfortable, welcome and eager to return? Here are some suggestions.

Vincent Imbriglia, manager of La Mancha Restaurant in Alexandria, VA, says that he is just as happy to see a lone diner as a party of four. "One is always better than none," he quips. Even though La Mancha has only 26 seats, Imbriglia says that "at times he prefers solitary diners because they want prompt service, and they don't linger when it's busy. So it's great for quick turnover."

Kathleen Mulhern, owner of The Garden Restaurant in Philadelphia, PA, says she sees single diners more and more. "Many times they come in to lunch or dinner late, which is fine because the crowds have died down."

Michael Solomon, general manager of Jim's Tiffany Place and Greenhouse Cafe in Lansing, MI, considers lone diners one of the fastest growing consumer segments of the restaurant business. "We're in downtown Lansing, and we see lone diners all the time. Legislators, lobbyists and business people stop in between meetings before and after the normal dinner hours." Solomon reports that on some week nights singles are the biggest, consistent business. On Mondays, when there's a legislative session at the capitol, about 25 to 35 percent of the business is sin-

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gles. The rest of the week it's about 10 percent, and on weekends it falls down to about five percent.

Train the staff...

Tiffany trains the staff to understand how important the lone diner is to business.

"The staff is trained to project a friendly image," says Solomon. "Sometimes lone diners are shy or uncomfortable, and we go out of our way to break the barrier. If they apologetically say, 'There's just one today,' we respond, 'Hey, that's plenty.' We offer a copy of that day's newspaper. Although some want the paper, most just appreciate the fact that we are trying to make them feel welcome. We always check back to see that everything is okay, and even that common restaurant gesture is greatly appreciated. Sometimes they're shocked that we cared enough to ask about one person."

All of Solomon's efforts to make the lone diner feel at ease have paid off. Singles traffic is up, and several people who consistently come in alone during the week come back on the weekend with their spouse or larger parties for more special occasions.

Be sensitive when seating the lone diner...

One way a restaurateur can help ensure a relaxed, enjoyable experience for lone diners is by being sensitive to where they are seated.

Too many solitary diners think that because they are alone they will have to wait longer to be seated and that waiters will want to seat them in undesirable locations—like right next to the kitchen or off in a dark, desolate corner.

At Stephenson's Apple Farm Restaurant, Kansas City, MO, solitary diners are taken in turn, even if it means being seated in a booth for four. "We know no single wants to be next to two people romancing. Most single diners like to sit with their back against the wall so they can see the activity of the restaurant, and that's where we try to seat them," explains owner Lloyd Stephenson.

Jeff Wolff, director of food and beverage at the Kansas City Marriott, Kansas City, MO, observes that singles "basically want to be left alone. We have tables out in the open where they can people-watch, but we also have some that are off in the corner if that's what they prefer—and some do."

Michael Solomon, Jim's Tiffany Place, admits that occasionally mistakes occur when seating singles, but these can be corrected. "We watch our clientele. If we seat a young woman next to a man and she appears to be uncomfortable, we'll offer to move her," he explains.

Seat lone diners together...

Four years ago, two Marriott Hotel restaurants—the Kansas City Marriott and King's Wharf in Miami, FL—introduced a "captain's table" for lone diners who want companionship while they eat.

The captain's table was Marriott's response to the number of single travelers at peak times. "Seventy-five percent of single diners choose to sit at the captain's table. We get people—female as well as male—coming back asking for it and staying at our hotel because of it," reports Wolff of the Kansas City Marriott.

Rita Collette, director of food and beverage of King's Wharf, considers the captain's table a good solution for the restaurant that doesn't have a lot of tables for two. "Even if you seat a single at a four top, they might object because they feel too conspicuous at a big table," she maintains. "Ninety percent of the lone diners are guests of the hotel, and it gets boring for them to eat alone or use room service night after night. So, for a break, the captain's table can be quite enjoyable."

A captain's table may not always work. "If a lot of single diners come to the door at the same time, it's very easy to sell," says Collette. "But no one wants to be the first one sitting at a big, round table, wondering when someone else will join them."

One way to solve that problem is to ask the first solitary diner if he'd like to dine with the manager. The manager acts as the host of the table. "We find this is also an excellent way to get feedback from our guests and to find out what they are looking for," adds Wolff.

Both Collette and Wolff agree that the captain's table works well during breakfast because it frees a lot of table space at a time when single dining is at its height. At breakfast the captain's table is treated more like a counter in the round. According to Collette, "People are offered newspapers. Nine times out of 10 they will introduce themselves, but it's certainly not the social occasion that dinner is because people tend to be less gregarious in the morning.

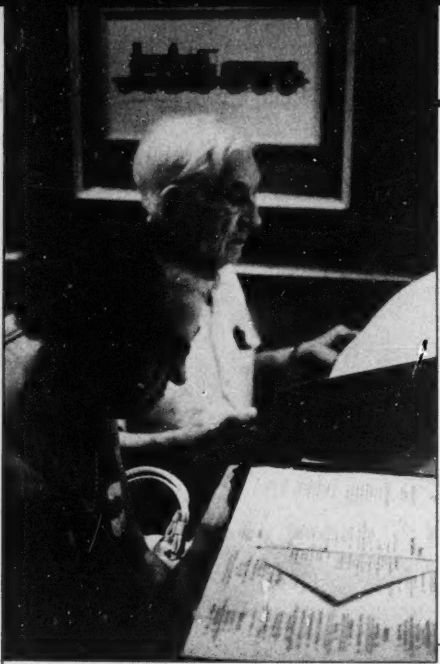
Lone diners can bring others...

A whopping 93 percent of the respondents in a 1979 Magic Pan survey on single diners reported that a pleasant dining experience influences them to return with other people.

Remember, every person who enters your establishment is a walking advertisement. The lone diner of today may be leading a band of 10 friends tomorrow. ❑

7 ways to make lone diners feel welcome

1. *Greet them graciously*. Don't make the single diner feel self-conscious or embarrassed about being alone.
2. *Offer them the daily newspaper* since this gives them something to do while they wait for their meal.
3. *Take their drink order as soon as possible*. This gives them something to do while they review the menu.
4. *Provide prompt service*. Time seems longer when a diner is alone.
5. *Offer a choice of seating*—near the hub of activity, in a more secluded location or at a captain's table.
6. *Don't rush the meal*. Let lone diners know you appreciate their business.
7. *Don't ignore them*. Check up on lone diners to make sure everything is satisfactory, but not more often than the other patrons so they do not appear to be noticeably alone.



OLDER SINGLES want companionship

by Doris L. Walsh

Next month grandparents across the country will be getting a special tribute from their loved ones on Grandparents Day. Many of them will share a lunch or dinner with their families who will gather together to celebrate. Although September 11 will be a special occasion for many senior citizens across the country, it needn't be the only day you promote your establishment to this important group.

When Americans say "singles," they automatically think of young people—the group that no longer lives with parents but has not yet become part of a married couple. What they do not think of is widows. And yet, demographically speaking, a large part of the singles market is older women whose husbands have died. And they present quite a different market for the restaurateur than younger singles.

About 19 million Americans live by themselves. They represent 23 percent of all American households. Of those, 61 percent—or about 10.6 million—are women. More than half the women are 55 or older.

When the singles market is divided according to sex, the age differences are even more startling. While more than half of the men who live alone are younger than age 45, over half of the women who live alone are aged 65 or older.

What this means to the restaurateur is that, depending on the location of the establishment, the singles clientele may be largely older women who have special needs.

Judith Langer, a New York-based marketing consultant who specializes in qualitative studies, found in a 1981 study on the 50-plus market that older women do want to go to restaurants, but they are stopped by a lack of companionship and small incomes. Those who need to adhere to special diets—low sodium or low cholesterol, for example—also are concerned about going to restaurants.

Langer says, "Eating out seems popular among older women living alone for social reasons as much as the meals themselves. Groups of three or four women seem common. Mealtime, which traditionally had family associations, seems less lonely this way."

Some restaurants that cater to older people already offer discounts for "early bird" eaters who come during off-peak hours or have menus for special ages that offer smaller portions and lower prices. Langer suggests trying family-style dining that offers those who do not want to eat alone an opportunity to be seated together. She also suggests the possibility of group discounts for four or more, giving single eaters an incentive to team up with others.

Some items on restaurant menus could also be geared to the older single person who is on a special diet. Menus could carry information about sodium content, cholesterol content and total calorie content. Many older people are content with smaller portions of meat and more vegetables. Rather than advertising huge quantities of food, restaurants can appeal to their desire to get out of the house, be with other people and make their own lives easier.

Restaurant prices are likely to be one factor in an older woman's decision to eat out. The median income of people who live alone was only $9,000 in 1981. For men, it was about $13,000, but for women it was only about $7,000. The reason is that most of the women who live alone are elderly widows who are dependent on Social Security while the men who live alone are younger and earning regular incomes. Even though they have low incomes, these women may be willing to spend their money to eat out. And, because they often live in housing that is paid for, their disposable income may actually be higher than a younger single who is paying rent.

The older singles segment of the population is projected to increase throughout the 1980s. Over 25 million households in 1990 will contain a person living alone, an increase of more than 25 percent during this decade.

For this reason, the restaurant that caters to singles of all ages may well be on its way to success. ☐

(continued from page 16)

taurateurs. According to the Bureau of Labor Statistics, singles earn almost 40 percent more in pre-taxed income than the average person in other household groups.

What do single consumers do with this extra money? Good news for the restaurant industry: They spend quite a bit of it on dining out. According to the Bureau of Labor Statistics' *1980-81 Consumer Expenditure Survey*, single customers spend almost 45 percent of their average weekly food expenditures on eating away from home—substantially more than the average consumer who spends only 32.4 percent. (NRA's estimate of the proportion of the food dollar spent on meals away from home is slightly higher—36.2 percent—because it includes the costs of meals served to patients in hospitals and to passengers on airlines, trains and ships.)

One-person households must be divided into wage earners and non-working singles. There are distinct differences between these groups. For instance, the wage earning single earns almost three times as much as the non-working single consumer. Wage-earning singles also spend a much higher proportion of their weekly food expenditures on dining out—52.4 percent—compared with only 27.1 percent spent by the non-working single. Non-working singles are primarily older, retired Americans, and 70 percent are over 65 years old. Wage-earning single households have a median age of 36, and only one out of 10 is over 65. These young working singles who spend a very high percentage of their income on eating out offer a tremendous opportunity for restaurateurs. To capitalize on this market, restaurant operators may want to target some of their advertising and promotional efforts toward this group.

Single households should continue to earn proportionately higher incomes. According to *American Demographics*, over one-third of the 35 to 44-year-old singles, a prime eating out group, is expected to earn more than $30,000 (adjusted for inflation) by 1995, up from only 18 percent making that amount in 1980. Furthermore, the proportion of all single households earning over $30,000 should more than double, rising from seven percent in 1980 to 15 percent by 1995. Even more impressive is the growing number of singles earning over $50,000 per year. This category will increase over threefold by 1995. Even the elderly singles will be better off. By 1995, over 10 percent of the singles aged 65 and over should report incomes of over $20,000. These figures indicate that consumers who live alone are excellent restaurant customers today and should be even better patrons in the future.

Singles eat out more often...

Singles, spending more of their food budget away from home, are obviously dining out more frequently than the average consumer. A soon-to-be released consumer attitude and behavior study by the NRA shows that singles eat away from home almost 18 times per month, compared with total respondents who dine out, on average, almost 14 times a month. The single customer visits restaurants more often than other patrons in all of the three restaurant categories—atmosphere/specialty, family and fast food. For instance, the average customer visits upscale restaurants less than three times each month, while the single patron averages almost four visits.

At family restaurants, single consumers average over six visits per month, compared with less than five trips recorded by other groups. Singles who visited family restaurants more than five times a month outnumbered other consumers by a wide margin—40.1 percent versus 27.2 percent.

This trend continues for fast food establishments as singles, on average, make almost eight trips to fast food restaurants per month, while the average customer makes about six visits. Single patrons who reported eating at fast food restaurants 11 or more times per month outnumbered all other consumers substantially—22.7 percent versus 14.7 percent.

Even though singles visit restaurants more frequently than other consumer groups, there is still a great deal of potential growth in this segment. For instance, singles skip more meals than other individuals. As noted in NRA's *Meal Consumption Behavior* study, 30.8 percent of the singles reported skipping at least one breakfast; 21.0 percent missed one or more lunches; and 8.8 percent said they skipped at least one dinner meal during the previous week. The corresponding proportions of skipped meals for all consumers are 27.3 percent, 16.4 percent and 5.2 percent. This is a substantial number of potential customers which restaurateurs could (and should) conceivably convince to eat in their establishments. Clearly the single customer is not only a very frequent restaurant patron but also offers a great deal of opportunity for restaurateurs.

Singles are likely breakfast and lunch patrons...

Single consumers are frequenting the various types of restaurants more often than other consumers, but which meals are they most likely to eat at the different establishments? Interestingly, singles are more apt to eat lunch and breakfast away from home than the average consumer group.

NRA's own consumer research reveals more singles—6.8 percent—usually eat lunch at an atmosphere/specialty restaurant versus 5.3 percent of the total respondents. Singles are also more likely to patronize family restaurants for lunch than the average patron. More than three out of 10 singles said they usually choose to eat lunch at family restaurants, compared with about one-fourth for all consumers. Singles are also slightly more likely to purchase their midday meal at fast food establishments than the average consumer.

This trend is even more apparent during the breakfast meal period. Singles are much more likely to eat breakfast at family restaurants, with 10.8 percent of the singles reporting they usually eat breakfast at these restaurants, versus only 7.6 percent of the total respondents. And singles

Number of times consumers dine out per month

	Atmosphere/ specialty	Family style	Fast food
Single	3.81	6.06	7.84
Total respondents	2.98	4.59	6.20

Source: "Consumer Expectations with regard to Dining Away from Home," *National Restaurant Association*. (To be released Fall, 1983.)

are almost twice as likely to eat breakfast at fast food restaurants—6.1 percent of the single respondents usually eat breakfast at this type of restaurant versus only 3.3 percent for total patrons. This suggests that restaurant operators may want to focus on the strong singles market when emphasizing their breakfast and lunch meal periods.

What do singles look for?...

Naturally one of the top priorities restaurateurs have is pleasing their customers. In NRA's report, *How Consumers Make the Decision to Eat Out*, respondents were asked to rate the importance of various qualities when choosing a restaurant. Some interesting differences surfaced between the single and all–patron groups as well as some predictable similarities. For instance, food quality, friendly service and atmosphere were rated "very important" by most singles and total respondents for all types of restaurants.

A closer look at the qualities singles are more likely to rate "very important," compared with the average consumer may give restaurateurs a better idea of what singles are looking for in a pleasant dining out experience. For example, at atmosphere/specialty restaurants, the qualities receiving a higher percentage of "very important" ratings from singles than from the total respondents were

- atmosphere
- friendly service
- menu variety
- nutritious food
- convenient location and
- fast service.

At family restaurants three qualities were more important to singles than the average consumer:

- atmosphere
- friendly service and
- convenient location.

Nutritious food, fast service and menu variety are slightly less important to singles when visiting family restaurants as compared to the total patron group.

Interestingly, at fast food establishments, single customers were less concerned with almost all of the qualities listed on the survey than the total consumer segment. Nutritious food was the only quality a higher percentage of singles rated as "very important," compared with the average patron.

Some of the qualities perceived as very important by both groups but were significantly more important to the average consumer than to the single patron at fast food restaurants were

- food quality
- fast service
- atmosphere and
- friendly service.

Singles, although concerned with these qualities, seem primarily interested in the convenience and nutritional aspects of dining out at fast food restaurants.

Singles often dine with friends...

Whether singles dine alone or with friends depends on the type of restaurant visited. Seven out of 10 single customers said they ate out with friends at atmosphere/specialty restaurants, compared with a considerably lower four out of 10 total respondents. Family restaurants were frequented by singles and their friends a greater proportion of the time as well, with almost half the singles dining at family restaurants with friends versus less than a third of the other respondents. This trend changes, however, when singles dine at fast food restaurants. Single visitors dined alone at fast food restaurants more than half the time while only one out of five total patrons reported eating alone. This suggests that the single patron is more comfortable dining alone at fast food restaurants because they are convenient, quick and often frequented by customers eating by themselves.

Perhaps family and atmosphere/specialty restaurant operators, to encourage single customer patronage, should make dining alone more comfortable for this important consumer group. Pay prompt attention to the single visitor and show them all the courtesy a party of four usually receives. After all, the single diner could turn out to be your most frequent and loyal customer..

In order to secure the business of this growing consumer unit, the restaurateur should be conscious of the single patrons' habits and demands. As the wealth and number of single Americans grow, this consumer segment will become increasingly important to the restaurant operator. By knowing what the single patron looks for in a dining experience, restaurateurs may be able to attract more of this lucrative market and add substantially to their restaurant's profits and customer traffic. ❑

Percentage of consumers giving "very important" ratings to restaurant qualities

Restaurant quality	Atmosphere/specialty		Family style		Fast food	
	Singles	Total respondents	Singles	Total respondents	Singles	Total respondents
Food quality	74.9%	77.4%	61.8%	64.9%	44.1%	50.3%
Friendly service	64.2	57.3	53.2	47.2	35.2	43.0
Atmosphere	70.2	57.1	46.8	35.2	15.5	22.6
Menu variety	48.8	26.4	20.4	26.9	15.1	15.3
Convenient location	38.7	21.8	30.3	27.6	43.2	46.8
Nutritious food	44.6	30.6	30.5	34.7	26.9	24.4
Fast service	31.1	20.4	24.3	26.8	23.6	37.9

Source: "How Consumers Make the Decision to Eat Out," *National Restaurant Association, 1982*

What is your restaurant's consumer rating?

What is your restaurant's consumer rating? If you don't know, it may be time to step back and take a look. Though the product you are selling is a meal, not a television or car, your customers must be satisfied in order to come back or recommend the restaurant to people they know.

Is your staff prepared?

by Toni Lydecker

An effective consumer relations program is more than complaint handling. It should be a voice within management about public needs and interests. The basic ingredient is a willingness to find out what consumers think and to respond positively to their views.

A consumer program can also communicate the company's point of view to the public and, as such, it has public relations value. Though conducting a consumer program does cost money, it should be regarded as a profit center that pays off by enabling a company to better offer consumers what they want.

Complaints: a resource, not a nuisance...

Complaints and questions may not be the sum total of a consumer program, but they are an essential part. You should value them as direct consumer input and an opportunity to transmit accurate information about your restaurant into the community.

Efficient and tactful handling of complaints has far-reaching results . . .

Efficient and tactful handling of complaints has far-reaching results, for a dissatisfied customer may well persuade others not to frequent a restaurant. In fact, a survey conducted by the Coca-Cola Company found that unhappy customers tell an average of 10 people about their experience.

There are models of effective complaint handling, of course. One of the most dramatic, widely publicized examples was McDonald's fast action when a customer pointed out that the free toys the chain was distributing were potentially dangerous to children. The company won praise and considerable goodwill by immediately recalling 10 million toys and cancelling an expensive promotional campaign.

To use complaints and questions as a research tool, keep a daily log showing the date, the nature of the problem, the customer's name and action taken. Several times a year, categorize the entries to see if patterns emerge that might suggest methods of improvement.

Gauging consumer opinion...

A systematic complaints record is just the first step in researching consumer trends and opinions, for only a tiny percentage of dissatisfied customers ever call for the manager. Clearly, other means must be used to gauge consumer opinion—before empty tables get across the message.

To track national trends, read industry publications and follow consumer-related legislation. For example, NRA research, Gallup polls and CREST re-

Your consumer program—*getting started*

Do your homework

1. Keep a log of customer complaints and questions, reviewing them two or three times a year to see what kinds of problems recur.
2. Dine in your restaurant at least once a week, using that time to observe the behavior and reactions of customers at one or two tables.
3. Follow national consumer trends through reading industry publications. For local trends, do your own survey or organize an advisory committee that includes consumer groups and individual consumers.
4. Use comment cards to let people express their opinions without calling for the manager.
5. Analyze your sales records to learn customers' likes and dislikes.

Protect the consumer

1. Inspect kitchen conditions rigorously and regularly to make sure they are sanitary.
2. Pay close attention to the quality of food received, and refuse to deal with suppliers whose products are substandard.
3. Make sure your menu and all visual representations of the food are accurate and that substitutions are made only with the customer's approval.

Respond to the consumer

1. Review your menu and make sure it is well balanced.
2. Experiment with "light fare" offerings as described in the story on page 10.
3. Train staff to be responsive to consumer preferences and desires. Make sure they can give detailed information about the food.
4. Establish clear policies and procedures on handling customer complaints and questions, and go over these from time to time in meetings so all staff are aware of them. Managers authorized to deal with complaints should receive more detailed instructions.

Educate the consumer

1. Offer informational brochures and handouts in keeping with your kind of restaurant (for example, one on selecting and preparing fish would be appropriate for a seafood restaurant).
2. Be sure someone on your staff has nutritional information for each entree.
3. Schedule appearances on local radio and TV talk shows to discuss consumer issues related to food and restaurants—or speak to school groups, clubs and consumer organizations on these topics.

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> **The menu could announce: "Cutting down on salt, calories or cholesterol? We can customize your meal. Ask your waiter or waitress for more information."**

ports document changes in eating-out behavior, nutritional concerns and food preferences.

A statistical analysis of your sales figures will yield valuable information on the kinds of menu items your customers prefer. NRA's publication *Market Research for the Restaurateur* offers help with marketing research techniques such as this.

To get specific reactions to your restaurant, provide comment cards with the check or place them near the cash register. In this way, you give customers a chance to express their views unobtrusively.

For a continuing source of ideas, both on general trends and your own practices, get in touch with local consumer organizations.

Taking action...

Learning more about consumer opinion is pointless, of course, unless you do something about it. A medium-sized to large company should analyze the results of consumer research regularly and should consider these results when making decisions that will affect consumers. In a smaller company, turning research into action can often take place more informally. It may be as simple as turning down the music or setting up a non-smoking area.

Through comment cards, the Marriott Corporation learned that travellers who eat in the chain's restaurants want well-balanced meals low in fat and cholesterol. The chain's response was the "Good for You" menu, approved by the American Heart Association and featuring such entrees as stir-fried chicken with fresh vegetables.

The Capt'n Chris seafood restaurants in Massachusetts offer similar food in their "au naturel" menu. Moreover, the nutritional information next to each entree gives the breakdown of calories, carbohydrates, protein, fat and sodium.

Well-trained staff can give customers extra flexibility in ordering food tailored to their own preferences or dietary restrictions. The menu could announce: "Cutting down on salt, calories or cholesterol? We can customize your meal. Ask your waiter or waitress for more information." The staff must be well versed on the nutritional content of the food and able to suggest dishes that meet a customer's requirements. When alterations are necessary, they should be made cheerfully. Often what the customer wants is not something extra but something left *out*, such as the mayonnaise or salt on a hamburger.

Consumer education techniques...

Consumer education is an area restaurants are just beginning to discover, although it is commonplace in supermarkets and food distribution companies. Form and content depend largely on what consumers want and what the restaurant is equipped to do. Asked repeatedly for recipes, the Customs House Restaurant in Foster City, CA, began printing two recipes from its menu each month and offering them free to customers. The handouts have been so popular that the restaurant plans to compile the recipes into a cookbook to be sold.

The media offer another way to reach current and potential customers. For example, the consumer affairs director of Farm Fresh in Norfolk, VA, appears regularly on radio and television talk shows to offer tips on food preparation, give out recipes and offer to send printed information to interested consumers. Such appearances could allow restaurateurs to develop credibility as a source of consumer information while giving visibility to their company.

Either individually or through local associations, restaurateurs can also reach out to the community through speaking to school groups, clubs and consumer organizations. Often these activities tie in well with community service projects, such as sponsoring fitness runs or donating food or funds for distribution to the poor, handicapped and elderly. ❑

DINING CLUBS

attract new business

A form of advertising that seems to be growing in popularity—for both restaurateurs and their customers—is the dining club concept. Here is a look at some representative clubs and reports from their participating members.

by Carol Caprione

Two years ago an NRA survey revealed that 20 percent of the 782 households surveyed belonged to a dining club at one time. These clubs seem to be growing in popularity.

A dining club is defined as an organization where members pay a fee and receive a membership card that entitles them to receive either reduced prices for meals or two meals for the price of one at a specific restaurant or at a selected group of restaurants.

22 years old and growing. . .

One of the oldest and most successful companies is Entertainment 83 (the numerals change with the calendar year), which has been in business for 22 years. Owned by Sports Unlimited, this club operates in 32 major metropolitan areas and is headquartered in Detroit, MI. Robert Thompson, district manager of the Washington, DC, metro area club that has been operating since 1980, says the group's policy varies from city to city. In the Washington area a book of about 500 coupons comes out for the year following on December 1. About 80 percent of these coupons are for restaurants. The remaining 20 percent are for sporting events, movies, theaters, hotels, bowling alleys, racket ball clubs and so forth.

The books cost $25 each and are usually sold by charity groups. The coupons offer the holder a two-for-one deal. In restaurants, one entree is free when a second entree of equal or greater value is purchased. Many times the restaurant will set a ceiling price on the entree or a time limit, like evening use only or redeemability on Sunday through Thursday. This discount does not include beverages, appetizers or desserts—only the entree. Thompson maintains that this is a great deal for restaurants, too, because the two-for-one entree is the only expense. He adds that "the club provides a tremendous advertising opportunity because people look through the book time after time."

Restaurateurs and dining patrons seem to agree. In 1983, 30,000 books were sold in the Washington area. That is a 10,000—or 33⅓ percent—increase over 1982. Nationwide, two billion books were sold last year, representing a 22 percent growth rate over the year before.

A great advertising tool. . .

Kathy Manili, assistant manager of Man in the Green Hat restaurant in Washington, DC, says that she feels participation in Entertainment '83 is a great advertising tool. "We get about three calls a week from people asking if we still belong to the club. These calls give us an excellent opportunity for suggestive selling. Once the people have visited the restaurant, we have a great chance for repeat business," she explains.

Rudi Manili, the manager, adds, "I can just about guarantee myself $4,000 a month gross profits from belonging to Entertainment '83." Manili's one objection is that during the four years he has been a member, he sees many of his regular customers using the coupon.

Although this can represent some lost revenue, regular customers using coupons can also build traffic and profits. Since the coupons operate on a two-for-one basis, the user has to bring a companion. It may be that this companion is new to the restaurant. Morever, profit is still made on beverages, appetizers and desserts for both parties.

James Marmaras, owner/manager of the Golden Flame in Silver Spring, MD, says that he redeems 50 to 60 Entertainment '83 coupons a month. "I belong to this club for the advertising benefits. It's difficult to pinpoint the source of media advertising, but this way you can see exactly where the patrons come from. The way to find out if a dining club is profitable for you is to try it once," suggests Marmaras.

Steady growth: 14 years, 14 cities...

The Carriage Trade Dinner Club, nationally headquartered in Phoenix, AZ, and serving 14 cities coast-to-coast, reports steady growth since its inception in 1969. Also operating on a two-for-one basis, Carriage Trade coupons are good for six months, not a year. The initial membership charge is $20. Subsequent membership fees are $13.95 per season. About 50 restaurants participate in this dinner club in each city.

Approximately 80 to 90 percent of the Carriage Trade participants are restaurateurs, the remaining 10 to 20 percent are lodging and entertainment establishments. Gary Frazier, the area manager, reports nationwide membership at one-half million and a growth rate of a city a year. Frazier also reports that the great majority of participants are repeat members because of the "phenomenal return."

6 reasons why restaurateurs say "yes" to dining clubs

1. *New customers*: A dining club discount attracts customers that otherwise would not have tried a restaurant.

2. *Heightened staff morale*: Increased customers make for a busier, happier staff as dining club customers are instructed to tip on the total bill before discount.

3. *Increased cash flow*: Some dining clubs don't allow the use of credit cards and specify cash only.

4. *Advertising*: Dining clubs do free advertising for participating restaurants. As restaurant patrons look through their coupon book, a restaurant's name is seen over and over.

5. *Repeat business*: Dining clubs contribute to repeat business.

6. *Visibility*: If a restaurant is situated in a low-traffic area, a dining club discount is a good way to make patrons aware of the establishment.

Ken McKenzie, general manager of the Sheraton Hotel in Scottsdale, AZ, says that the hotel has been a member of Carriage Trade for six years. McKenzie says that 30 percent of a given month's business can be attributed to Carriage Trade participation. "I wouldn't belong to this club if it were not profitable," says McKenzie.

Small, elite and effective...

Gourmet Dinner Club is an independent club serving only the Westchester County and the Bronx area of New York. Joseph DePaul, managing director, explains that Gourmet Dinner has 35 tablecloth restaurants involved in his six-month program. As with Entertainment '83 and Carriage Trade, the $19 membership fee entitles holders to a two-for-one entree. DePaul explains that the seasons are scheduled from May 1 to October 31 and November 1 to April 30 for the convenience of the members—many of whom go to Florida for the winter season or belong to country clubs in the summer.

Gourmet Dinner Club has been in business since 1978. The number of participating restaurants is up to 35, five more than last season. According to DePaul, "We review the restaurants and turn some away from our program. We have no fast food or family type restaurants—thus the name 'gourmet.' We cater to the 40 to 70 age group."

Gourmet, like Entertainment '83, has a hotline number for its members to inform them of any closings, name changes or restaurant moves.

A club member leaves and returns...

Laurance Cohen, owner of Scotch 'N' Sirloin, White Plains, NY, explained that he's been a member of Gourmet Dinner Club for three years. At one time he took a six-month season off but went back to the club. "We do 200 to 300 dinners a week with the card. We'd probably see less than half of these people without the card," he explains.

Cohen also maintains that Scotch 'N' Sirloin saves $15,000 a year on its advertising budget by participating in the Gourmet Dinner Club. "Gourmet Dinner Club goes to a great deal of expense to advertise its program. Say your advertising budget is $25,000 a year. If you have the courage to cut your advertising to the bare minimum—using no radio or newspapers but just the yellow pages and counting the food cost of the complementary dinner as an advertising expense—you can save $15,000 right off the top of your budget. That's what we do, and it works. We get the number of customers we're looking for."

A chain creates its own club...

In Minneapolis, MN, Neil Berman, founder and president of Le Bistro Cafe, a 12-unit chain of French country restaurants, started his own dinner club last November. By March 1, the club had over 1,500 members; and by June 1, it had over 2,000. The chain's office coordinator Keith Witte reports receiving about 10 membership applications a day. For a $9.95 yearly membership fee that begins at date of purchase, members get a credit card that entitles them and their guests to a 10 percent discount on the total bill. But that is not all. Other membership benefits include a 10 percent discount on wines at some local liquor stores; registration for prizes, such as trips and cases of champagne; a quarterly newsletter and semi-annual dinner parties. In addition, on the first Monday of each month Le Bistro Cafe offers free appetizers and champagne with dinner—a special attraction that has increased traffic 200 percent on those nights.

Membership is available to everyone, and the 10 percent discount is good at any time (including weekends) at any of 12 units in Minnesota, Iowa, Wisconsin and North Dakota. Berman says that the promotion pays for itself because the membership fee covers all printing and other costs. In the very beginning, Le Bistro Cafe advertised the club in newspapers, but now it's all word-of-mouth and in-house advertising, reports Witte. The club was created to attract repeat business, and it has succeeded. How did Berman get this great idea? Other restaurateurs in the area were doing it.

A competitive edge...

In the words of Groucho Marx, "I'm going to join a club and beat you over the head with it." Many restaurateurs have discovered a dining club can help beat the competition, defeat economic blues, decrease operating expenses and defray advertising costs. ☐

TECHNICAL SERVICES

Warning: Be careful when you resurface floors in freezers and coolers

The USDA and FDA urge foodservice operators to use extreme care when using polymeric compounds containing styrene for resurfacing floors in walk-in freezers and coolers.

The agencies have encountered several cases where the resin failed to cure and polymerize into a polymer concrete as expected. This resulted in styrene vapors permeating the foods being held in storage. The FDA considers foods that have been contaminated with styrene from resurfacing operations to be adulterated and unfit for human consumption.

To prevent contamination when using polymeric compounds containing styrene for resurfacing walk-in floors, FDA and USDA recommends

1. removing food or meat products while the resurfacing is being conducted
2. making certain the surfaces are at the temperatures recommended by the manufacturer of the resurfacing product and
3. allowing the resurfaced floor to cure completely and the room to be aerated thoroughly before foods are reintroduced for storage.

Gas industry poised for growth, lower prices

According to Mike German of the American Gas Association, natural gas supplies and price projections are the best they've been in a decade. There is a large resource base available that will be ample for the next 50 to 60 years and a sufficient supply for the next two decades just from the lower 48 states and Canada. In addition, there is a current supply bubble of about 15 percent, which will dissipate only with a cutback in drilling.

At a recent NRA meeting of NRA's Energy and Technical Services Committee, German indicated that future natural gas price increases are likely to be much less severe than those experienced during the past five years. He maintained that the catch-up period on pricing since partial deregulation of gas in 1978 is over. This catch-up period resulted in annual price increases of 25 percent. This year should see a price decline of about 10 percent, said German, and natural gas prices will probably track inflation for the remainder of the decade.

The decrease in 1983 prices is due to large rainfall in the West, which provided ample hydro-electric power; the mild winter; the economic slump and the slide in oil prices. There is a close relationship between gas and oil prices as one-third of all natural gas is sold to facilities (including electric utilities) that maintain dual fuel capabilities for residual oil and natural gas.

"AGA is convinced that the gas industry is poised for an era of tremendous growth," concluded German. "As the combined effects of the recession, falling oil prices and gas deregulation settle out, many of the competitive market pressures on distributors, pipelines and gas producers are going to be relieved.

"The key to the future for natural gas in the U.S. lies in continued progress along the path to market-determined gas prices, removal of legislated gas market constraints and increased regulatory flexibility to permit the U.S. gas industry to develop new gas markets and respond to changes in market conditions.

"Gas energy is uniquely positioned to respond to the nation's growing energy needs of the 1980s because

1. gas supplies are available
2. there are no public policy or environmental barriers to its use
3. a million-mile transportation system is in place to deliver gas to every state in the nation and
4. new gas technologies have been, and are being developed, to improve the competitive position of gas in all markets."

—Andrew Poledor

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Train the Trainer

Too often employee training is badly neglected—because owners and managers aren't sure what or how to teach. This course is designed solely for those who must train restaurant employees, including training them to sell!

For more information, contact:
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THE HUMAN SIDE

How to make restaurants more accessible to the PHYSICALLY DISABLED

by John P. S. Salmen

Program Director
National Center for a
Barrier Free Environment

A new market of 35 million paying customers should be attractive to any industry. That is the estimated number of potential customers who are unable to use restaurants because they are not accessible to people with physical disabilities. The information in this article should help you make your facility safer and more usable.

The basic considerations of accessibility for restaurants are similar to those of most other buildings: 1) easy circulation to and from the parking area, through the entrance and to the table and any auxiliary areas, such as bathrooms, bars, coat checks and so forth and 2) an atmosphere where people who have visual or hearing impairments can easily perceive and understand information about the environment and the services provided there.

Provide level parking...

The first consideration is to provide level parking that will allow a mobility-impaired person to get into or out of the car easily. This requires a 13-foot-wide parking space near the main entry. In addition, there should be a level path of travel between that parking space and the entrance door. If there are any curbs or changes in level in the path, there should be a ramp or other level change device that makes a gradual transition between the levels of the path. If a ramp is necessary in the circulation path, the slope should be no more than one inch of rise for every 12 inches of run. It is best to have level access, rather than ramps, thus eliminating potential liability problems from slipping on inclined surfaces.

Make doors easy to open and close...

The doorways should be easy to open and close, and they should have adequate space (at least 32 inches) to allow a wheelchair to pass through. Heavy doors, though they may be decorative, can be an impediment. Eight pounds is the recommended maximum door-opening pressure. If vestibules are provided, especially for energy efficiency, a space within the vestibule that is free of door swings and is at least 42 inches long must be provided for wheelchairs. This allows a person in a wheelchair to use this type of entrance independently.

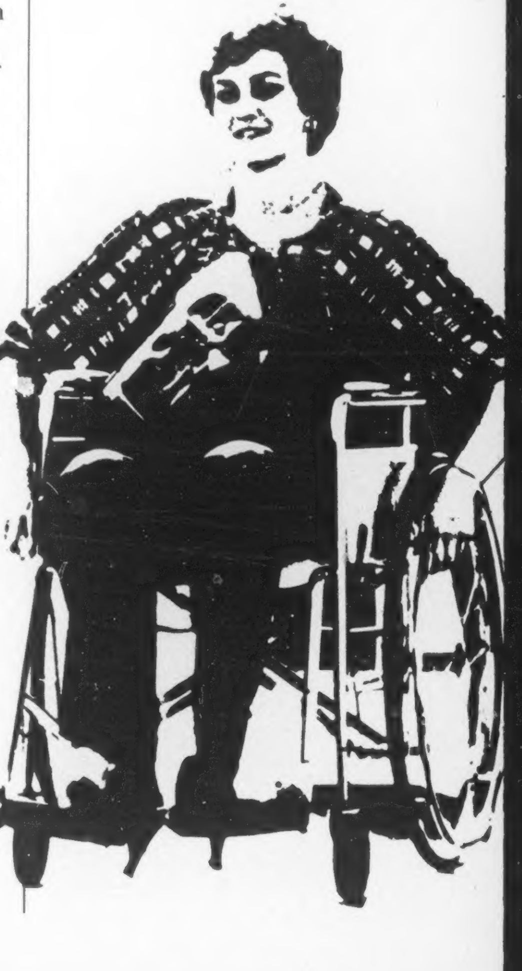
Keep main aisles five feet wide...

All of the major services inside the restaurant, such as table areas, coat checkrooms, lounge, rest rooms and other special areas, should be just as accessible for someone with a mobility impairment as they are for able-bodied people. Main aisles should be five feet wide, and secondary aisles should be three feet wide. This allows wheelchair access between tables, counters and other fixed furnishings. Once a person has reached the table, the primary battle has been won. The only other concerns surround the use of bathrooms, coat checks, etc.

If it is necessary to have a mezzanine or a raised level, either provide ramped access to that area (a wheelchair lift may sometimes be an easier solution in retrofit situations) or make sure equivalent services are available in a similar setting on an accessible level.

Keep alternatives in mind...

When designing facilities, keep alternatives in mind. The cozy or intimate setting created by raising the floor level can often be accomplished just as effectively by changing lighting levels and adjusting ceiling and wall



surfaces or finish materials. In addition, this type of handling eliminates the tripping hazard that always accompanies any change in level, especially at low lighting levels for people who are unfamiliar with the area.

The choice of floor covering can help people get around, or it can hinder them. Some patterns on floor surfaces can disguise changes in levels (such as steps), thus making the level changes hazardous. A good carpeting choice is firm, low pile secured to the undersurface so that rippling and subsequent tripping does not occur.

Make your rest room and self-service conveniences accessible. . .

An accessible room can be designed into almost any facility if there is a space five-feet in diameter in that room to allow a wheelchair to make a turn. The rest is a matter of hardware and placement.

If coat racks or other self-service conveniences, such as cigarette dispensers and telephones, are provided, the operating controls should be located between 36 and 48 inches above the floor surface. If a counter surface is provided for takeout or bill payment, at least part of it should be between 30 to 34 inches high so that a person in a wheelchair is able to use the writing surface.

Pay attention to menus, lights and background noise. . .

Visually impaired and hearing impaired people generally have problems perceiving information about the environment. For these individuals, lighting levels and acoustics are the important issues. Menus that use oversize print allow visually impaired people to understand their choices and order their food easily and without embarrassment. Such menus should be available on request.

Lighting levels also should be carefully selected so that all patrons may read their menus easily. It is important to note that, as people age, they need brighter lighting to read fine print. In fact, a 65-year-old person requires approximately three times the amount of light necessary for a 25-year-old person to read the same print. In addition, the aging process modifies the color of the lens of the eye, thus making it difficult for an older person to perceive minor color contrasts or variations. Because of this, it is important to use bold colors and contrasting print on matt (as opposed to glossy) backgrounds to reduce glare and to make perception of the menu and other posted or written material easy to read.

Acoustics are important to everyone but especially to those who have hearing impairments. For this reason, it is important to try to provide a minimum amount of background noise and, if at all possible, a variety of seating arrangements. Many hearing-impaired people can hear better with one ear than another and will sit where they can hear the person with whom they are sharing the meal rather than the background noise around them. Tables in the middle of large open spaces are often difficult for such people because there is no quiet area they can use to orient themselves.

These are only some pointers you can use to help physically disabled people to have a more enjoyable dining experience. If you would like to learn more about accessibility, contact the National Center for a Barrier-Free Environment, Suite 700, 1015 15th St., N.W., Washington, DC 20005 or call (202) 466-6896.

Ohio restaurateurs discuss benefits of hiring handicapped workers

At a recent meeting of the Tri-County Restaurant Association in Canton, OH, two members of the Stark County Board of Mental Retardation—Paul Herrera and Marion Perkins—discussed the benefits and successes of hiring handicapped workers. One story detailed the successful employment of a girl placed in the foodservice program at a local high school who is now responsible for the baking duties and food preparation. "We are not asking for donations," Herrera said. "The point of our program is to have well-trained individuals who can enter the job market at the basic level and contribute to the community."

To induce employers to hire these individuals, Perkins discussed two programs that make involvement in the program an economic advantage. The first program, under the National Association of Retarded Citizens, provides up to 320 hours of wage reimbursement to an employer who hires a mentally handicapped trainee. The second program, under the federally-funded Target Jobs Tax Credit, provides the employer with a tax credit for $3000 of the first $6000 the employee earns his first year.

This discussion prompted Larry Bigler, Canton-area vice president of operations for Burger King, to describe the success his company has had with mentally-handicapped employees. "At first we were hesitant and had all the usual fears," he said, "but we went ahead with the program."

The mentally-handicapped work at Burger King under two separate programs. Under one program, Stark County Board employees transport the mentally handicapped to and from work. Under the other program, the mentally handicapped become employees of Burger King. This particular program is scheduled for expansion from one in-house employee, working one day a week at each of the five outlets, to five employees, one at each franchise.

"They're excellent, super employees," Bigler continued, "and they can work circles around teenagers. They're very meticulous and proud of what they do.

First, we started out simple—with weed pulling around the parking lots. Then we went inside. Now anything and everything our other employees can do, they do."

Herrera and Perkins handed out folders at the conclusion of the meeting which contained information concerning the hiring of mentally handicapped persons and a list of occupations suitable for their employment.

"I think the members present at this meeting came away with the feeling that hiring the mentally handicapped in foodservice positions not only helps the employee attain economic independence but is just plain good business sense," said Perkins. ❑

NUTRITION A HEALTHY TREND TO WATCH

by Cecelia Niepold

Americans across the country are jogging, counting calories and watching their weight. The health and fitness movement has taken off and is affecting many areas of the consumer marketplace. A recent study by *Woman's Day* and the Food Marketing Institute (FMI), a Washington, DC, association representing supermarkets, reports that 72 percent of the consumers polled believe Americans are more interested in nutrition now than they were a few years ago, and 40 percent of the individuals feel they've begun eating more nutritiously.

Consumers' interest in health and nutrition is especially important to restaurateurs whose primary goal is satisfying customers' demands and meal preferences. As diet-conscious patrons increasingly demand lighter and more wholesome meals, restaurant operators may want to adapt their menus to capture some of this expanding market.

To help restaurateurs gain a broader perspective on consumers' perceptions of the nutritional value of eating out, NRA included a question concerning nutrition on the March *Gallup Monitor of Eating Away from Home*.* Respondents were asked to rate the nutritional value of their most recent restaurant meal, using a 10-point scale, where 10 signified excellent nutritional value and one represented very poor nutritional value. Specifically, consumers were asked, "How would you rate the nutritional value of (meal eaten)?"* This article reviews the answers to this question.

Overall, respondents were pleased with the nutritional value of dining out. One in six consumers—17.4 percent—gave their most recent meal away from home an excellent rating for nutritional value. A significant number—almost 43 percent—ranked the nutritional value of eating out as good. Only 1.2 percent of the respondents felt the nutritional value of their latest dining out experience was very poor.

Women rate nutritional value high...

Women seem most satisfied with the nutritional value of eating away from home. Almost one in four female respondents—23.8 percent—gave a recent dining out experience an excellent nutritional rating, compared with a substantially lower 11.9 percent reported by male customers. At the same time, however, more women—2.1 percent—rated their eating out experience very poor in nutritional value, compared with only 0.5 percent of the male respondents. These figures suggest that women, generally, are more aware of the nutritional content of meals and are apt to be somewhat more critical and demanding.

Supporting this observation are the results of an earlier Gallup poll (August 1982) which shows 64 percent of the women surveyed would like salad bars to be featured in restaurants, versus a smaller 57 percent of the male respondents. (An indication of the growing popularity of salad bars is that in 1975 only 48 percent of the women surveyed and 45 percent of the male respondents said they would like restaurants to offer salad bars—a substantial change.) From the same 1982 study, 27 percent of the women polled would especially like dieters' specials, compared with only 15 percent of the male consumers. Portion size is also of more concern to women—61 percent said they would like a choice of portion size, compared with a smaller 49 percent of the male respondents.

Working women are particularly aware of the nutritional content of their meals. As reported in the *Woman's Day*/Food Marketing Institute study, four out of 10 working women surveyed have a high level of concern about food and food additives, compared with one-third for all respondents.

Nutritional value ratings by sex

Nutritional ratings	Total respondents	Male respondents	Female respondents
Excellent	17.4%	11.9%	23.8%
Good	42.9	51.6	32.6
Fair	30.7	27.9	33.9
Poor	7.4	7.3	7.4
Very poor	1.2	0.5	2.1

Restaurateurs may want to focus on the female market, especially the working woman customer, when promoting the nutritional content of their menus.

Older adults more pleased with nutritional value. . .

Older adults—50 years and older—were generally more pleased with the nutritional value of eating away from home. Almost 38 percent of the 50 to 64-year-old respondents gave excellent nutritional ratings to their most recent dining out experience, along with 31.4 percent of the 65 and older customers. At the other end of the spectrum, a very slight 1.7 percent of the 18 to 34-year-old group felt their meals away from home were of excellent nutritional value, and only 8.5 percent of the 25 to 34-year-old category gave eating out an excellent nutritional rating. Younger consumers, although very aware of nutrition and health issues, may not be actually eating as nutritiously as older Americans when they dine out.

Younger patrons (18 to 34-year-olds) may be a potentially profitable market for restaurateurs to target when promoting nutritional menu items. For instance, according to the *Woman's Day*/Food Marketing Institute report, one-third of the 18 to 34-year-old respondents reported a high level of concern regarding food and food additives versus less than one-fourth of the senior citizens surveyed.

Along the same lines,

- 63 percent of the 18 to 34-year-old consumers expressed a desire for self-serve salad bars compared with a smaller 56 percent of patrons 50 years old and over
- almost 60 percent of the 18 to 34-year-olds would appreciate a choice of portion size, versus about half of the 50-year-old and over segment and
- 21 percent of the 18 to 34-year-olds surveyed would like to be offered dieters' specials compared with a slightly smaller 19 percent for the older repondents.

Nutritional value ratings by age group

Nutritional ratings	18 to 24 years old	25 to 34 years old	35 to 49 years old	50 to 64 years old	65+ years old
Excellent	1.7%	8.5%	22.0%	37.5%	31.4%
Good	39.1	39.4	53.0	34.6	49.0
Fair	43.6	40.7	18.5	22.7	19.6
Poor	13.4	9.4	4.7	3.6	—
Very poor	1.7	0.5	1.7	1.5	—

Infrequent restaurant patrons (consumers eating out less than once a week) gave excellent ratings to the nutritional value of eating out more often than did frequent customers (those who usually eat out four or more times a week). One out of five infrequent diners felt their most recent eating out experience had an excellent nutritional value compared with 17.4 percent of the more frequent restaurant patrons. Infrequent customers were also more likely to be critical of the nutritional content, as 2.9 percent of these respondents gave very poor nutritional ratings to their most recent meal away from home. This is greater than the 1.6 percent reported by frequent restaurant customers.

Weekend meals perceived to have higher nutritional value. . .

Customers seem to feel the meals they eat out on Saturday or Sunday are generally more nutritious than the meals they eat away from home during the week. More than 23 percent of the respondents gave excellent nutritional ratings to restaurant meals during the weekend compared with a smaller 15.1 percent giving similar rankings to meals during the week.

Restaurant patrons are more likely to plan their eating out occasions during the weekend and are probably less hurried. During the week, however, consumers may be more concerned with convenience and quick delivery than the nutritional content of their meals.

Patrons feel family restaurants offer most nutritional meals. . .

Family restaurants steal the show in terms of consumers' perceptions of the nutritional value of meals eaten away from home. More than 27 percent of the respondents said meals offered by family restaurants provided an excellent nutritional value. This is probably the result of the variety of menu items usually offered by family restaurants.

Atmosphere/specialty restaurants were also perceived as offering nutritional meals, with two out of 10 consumers giving an excellent nutritional rating to the meals served in these establishments. Again, a wide selection of entrees is usually available, and patrons are offered full meals, including vegetables and salads, at restaurants in this category.

A smaller number of consumers—19.3 percent—felt the food served in cafeterias had excellent nutritional value. Cafeterias, however, received the largest percentage of good nutritional ratings—58.8 percent, suggesting that consumers believe meals at these establishments are wholesome.

Fast food restaurants received a very small number of excellent ratings for the nutritional value of their foods—only 3.3 percent. Also, more consumers—2.6 percent—gave fast food meals a very poor nutritional value rating, which is more than for any other type of restaurant. Most customers patronize fast food restaurants because of the convenience and quick meals these establishments offer and may not believe "fast and easy" meals provide much nutritional value.

Nutritional value ratings by restaurant type

Nutritional ratings	Family style	Fast food	Cafeteria	Atmosphere/ specialty
Excellent	27.4%	3.3%	19.3%	20.7%
Good	45.6	30.3	58.8	56.5
Fair	24.6	49.0	12.8	15.1
Poor	1.5	14.4	6.4	7.6
Very poor	0.3	2.6	1.8	—

Some major fast food operators have begun listing the nutritional value of the various menu items to counter this image.

Dinner ranks number one in nutritional value...

Dinner took the number one spot in consumers' perceptions of the nutritional value of the different meal periods. More than one in five restaurant patrons gave the dinner meal an excellent nutritional rating. This may be because many customers eat a full meal for dinner but opt for a snack at lunch or breakfast. Also, this finding correlates with patrons' high ratings for the nutritional value provided by atmosphere/specialty and family style restaurants, as consumers tend to eat dinner more frequently at these establishments.

Breakfast was number two in the rankings for meal periods, with 18.7 percent of consumers voting for excellent nutritional value. On the other hand, breakfast also received the highest number of very poor ratings concerning nutrition. While some consumers feel they eat a nutritious morning meal away from home, others may just stop quickly for a snack on their way to work. The morning meal offers potentially profitable opportunities for restaurateurs. Operators, by promoting a convenient, but nutritious, breakfast menu (perhaps by adding more fresh fruit and juices), may expand their breakfast market.

The lunch period received the lowest percentage of excellent nutritional value ratings—15.1 percent. This may be a result of the limited amount of time customers have for lunch, which they may believe prevents them from eating a well-rounded meal.

Nutritional value ratings by meal period

Nutritional ratings	Breakfast	Lunch	Dinner
Excellent	18.7%	15.1%	20.5%
Good	41.1	42.6	45.9
Fair	27.1	32.1	27.2
Poor	9.3	10.1	3.3
Very poor	3.7	—	1.8

Restaurateurs might want to promote the nutritional value of their mid-day menus while still ensuring patrons of prompt service and delivery. Perhaps by offering lighter entrees (with less fat and sauces), salads or fruit plates, restaurant operators can capture more of the lucrative lunchtime traffic.

How is the nutrition trend affecting restaurant menus?...

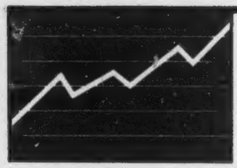
The trend toward watching calories and eating more wholesome foods has affected menu development. As *Restaurants and Institutions* points out in its "1983 Menu Census," the top three items most often added to menus in 1982 were chicken (13.6 percent), fish (8.1 percent) and salads and salad bars (7.8 percent). This represents a growth from one year earlier when the same three items were also most often added to menus but in slightly smaller proportions—chicken (11.5 percent), fish (6.8 percent) and salads and salad bars (6.6 percent).

It is clear that restaurateurs are already reacting to their customers' demands for low calorie, healthy meals by adapting their menus.

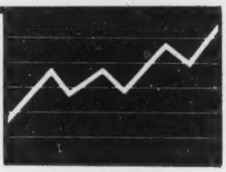
As the economy improves and consumers decide to spend more on eating out, restaurateurs may want to adapt their menus and marketing strategies even more. By giving customers what they want and expect from a dining out experience (which seems to include lighter, more nutritional fare), restaurateurs can boost profits and traffic figures and contribute to the overall economic health of their establishments.

***_The Gallup Monitor of Eating Away from Home_ is conducted monthly and tracks trends in eating out behavior for the U.S. population. Telephone interviews are conducted with approximately 1,000 adults 18 years of age and older. Respondents are asked to report on all meals eaten at a restaurant, fast food establishment or any other place where food was purchased, such as a lunchroom or cafeteria at work or school on the previous day. Specifically, individuals are asked to report which meal occasion they ate out, the type of restaurant visited and which day of the week the visit occurred.**

The interviewing for NRA's nutritional value question took place between March 4 and March 17, 1983.



NRA presents revised 1983 forecast



The National Restaurant Association has revised its 1983 forecast for food and drink sales and menu prices. A slower rate of inflation than had been expected, a more robust economic recovery, rising personal income, a strong surge in consumer confidence and more vacation travel have caused NRA to make these revisions.

Sales for the foodservice industry are now expected to equal $144.0 billion, an increase of 8.2 percent in current dollars and 3.3 percent in real dollars. This is up from an original forecast of $143.6 billion. (See "Foodservice Trends" section of the December 1982 *NRA NEWS*.)

Sales for the *Commercial Group* will reach a revised $122.5 billion, an increase of 8.6 percent over 1982. Real sales for this segment will advance 3.6 percent versus an original prediction of a 2.2 percent gain. *Institutional* feeding sales will rise to $20.7 billion, primarily due to a rise in transportation feeding sales. *Military* sales will remain unchanged, but the rate of real growth will be 2.7 percent rather than 1.7 percent.

Sales for *eating places* are predicted to reach $87.8 billion versus $87.4 billion as shown in the original forecast. Real sales, adjusted for inflation, will be up a robust 4.1 percent, significantly higher than the original prediction of 2.6 percent. *Restaurants and lunchrooms* will provide most of this improvement in eating place sales. Sales for this sector are anticipated to equal $45.4 billion, up from $45.2 billion in the original forecast. Real sales will advance 3.1 percent, compared with the 1.4 percent forecast. Many consumers are trading up now that their economic well being has improved, and the dinner house segment is the prime beneficiary.

Limited menu (fast food) sales are expected to total $37.3 billion, a 10.7 percent increase in current dollars and a 5.7 percent real gain. This is up only slightly over the original forecast, primarily because consumers are trading up to more expensive restaurants and because only some of the consumers who dropped out of the fast food market during poor economic times have returned. Some improvement in sales for *commercial cafeterias* and *ice cream and frozen custard stands* will occur due to increased frequency of eating away from home.

Food and drink sales for *foodservice contractors* will rise to a revised $8.3 billion. Real sales are expected to advance 2.5 percent versus the 1.4 percent forecast. Increased sales for *in-transit feeding* is the reason for the boost in overall contract feeding sales. Contractors serving the airline industry will see their sales rise to $635 million, a gain of 13.0 percent in current dollars and 8.0 percent in real dollars.

Lodging place food and drink sales are now expected to reach $8.1 billion. This represents a 9.4 percent increase in current dollars and a 4.4 percent gain in inflation-adjusted dollars.

The National Restaurant Association now expects menu prices to increase only 5.0 percent, not 6.0 percent as originally forecast last December. Slower advances in the prices for many commodities, especially beef, dairy products, pork, fruits and vegetables, coupled with only modest gains in wages and salaries, have helped restaurateurs keep menu price increases at a very moderate level.

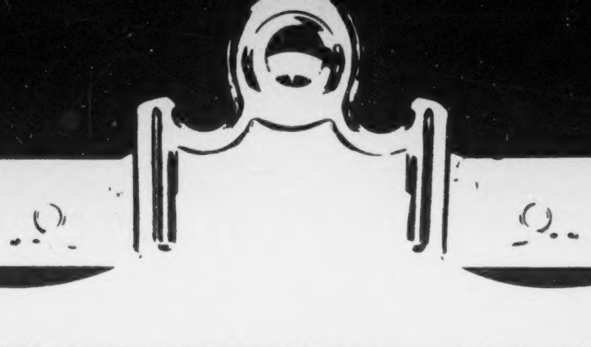
NRA will present its 1984 sales and outlook forecast for the foodservice industry in December.

1983 forecast update

	Revised forecast			Original forecast		
	Sales (000)	Percent change Current dollars	Percent change Real dollars	Sales (000)	Percent change Current dollars	Percent change Real dollars
Commercial feeding	$122,530,338	8.6%	3.6%	$122,103,949	8.2%	2.2%
Eating places	87,819,985	9.1	4.1	87,449,709	8.6	2.6
Restaurants and lunchrooms	45,449,842	8.1	3.1	45,173,030	7.4	1.4
Limited menu restaurants	37,311,874	10.7	5.7	37,244,464	10.5	4.5
Commercial cafeterias	2,564,689	6.3	1.3	2,557,451	6.0	0.0
Social caterers	834,625	2.5	(2.5)	826,482	1.5	(4.5)
Ice cream, frozen custard stands	1,658,955	8.8	3.8	1,648,282	8.1	2.1
Contractors	8,302,990	7.5	2.5	8,283,877	7.2	1.4
In-transit feeding	635,232	13.0	8.0	616,119	9.6	3.6
Lodging places	8,054,108	9.4	4.4	8,017,108	8.9	2.9
Institutional feeding	20,713,759	5.8	0.5	20,692,759	5.7	0.4
Transportation	780,336	12.0	7.0	760,131	9.1	3.1
Military feeding	779,932	7.7	2.7	779,932	7.7	1.7
Total foodservice industry sales	$144,024,029	8.2%	3.3%	$143,576,640	7.9%	2.0%

Sources: *Malcolm M. Knapp, Inc.; National Restaurant Associaton.*

Note: *1983 predictions for all other categories remain the same as originally published in the December 1982 NRA NEWS.*



CREST REPORT

CREST Highlights

- Customer traffic at the nation's restaurants rose 2.2 percent, marking the third consecutive quarterly increase.
- More families are dining out. Visit frequency rose significantly during the March-April-May period, a benefit of a strengthening economy.
- Restaurant sales jumped 7.6 percent in the spring quarter, compared with a 7.0 percent gain in the winter and a more modest 5.0 percent increase in the fall.
- Restaurateurs are using fewer promotions to build customer traffic. Only 11.0 percent of all meal occasions involved a promotion during the spring, down from almost 13.0 percent in the winter period.
- Atmosphere/specialty restaurants posted the highest gains in customer traffic. Family and fast food establishments experienced more modest positive growth.
- Breakfast captured the number one spot in traffic increases—achieving a dramatic 17.0 percent jump in customer counts. The dinner and lunch meal periods recorded only slight increases, but snacking occasions continue to post declines in customer traffic.

Customer traffic continues to rise

Customer traffic at the nation's restaurants rose in the spring quarter, continuing the positive trend begun in the fall of last year. Customer counts advanced 2.2 percent during March, April and May from the same three-month period in 1982. This compares with gains of 2.4 percent in the winter quarter, 2.9 percent in the fall period and a slight 0.3 percent decrease in 1982's summer quarter.

Gallup's "Monthly Monitor of Eating Out," which tracks consumer behavior in the eating-away-from-home market, also reported favorable spring quarter results. An average of 39 percent of the people surveyed in Gallup's March, April and May surveys reported eating out at least once during the preceding day—the highest level recorded for any quarter since Gallup began collecting data in 1978.

The economic picture continues to brighten and most major signs point to a strong business recovery. The consumer confidence index has risen steadily for five straight months and reached 84.9 percent of its 1970 base in June—its highest level in more than four years. Consumers, as well as having more confidence in the economy, also have more money to spend. The Commerce Department reports that personal income rose 1.2 percent in May—the largest monthly advance in almost two years. The July 1 tax cut (predicted to put an extra $30 billion into American's pockets over the next year), lower inflation and improving unemployment levels will also bolster consumer spending for the remainder of the year.

As the economy continues to strengthen and consumer spending accelerates, restaurant sales and customer traffic levels should also advance significantly. Another bright factor for the restaurant industry is the U.S. Travel Data Center's prediction for summer travel this year. Summer travel is expected to increase approximately 12 percent over last year which should add substantially to restaurant sales. (NRA will report on summer quarter traffic and sales in November.)

Due to these positive signs, NRA has revised its sales forecast for 1983 and predicts eating places will experience real sales growth of 4.1 percent, up from the original forecast of 2.6 percent. (See page 33 for the complete revised forecast for 1983.)

More families dining out . . .

The average number of times families visited restaurants—visit frequency—rose significantly during the spring quarter, further indicating a strengthening economy. Visit frequency rose 2.7 percent during the spring compared with a slight 0.8 percent rise in the winter, a 3.2 percent drop in the spring and a 1.6 percent decline last summer.

An analysis of visit frequency by restaurant type shows that atmosphere/specialty establishments experienced the largest gain of any category during the spring quarter—up 2.3 percent. Fast food and family style restaurants posted slight increases in visit frequency—0.2 percent and 1.2 percent, respectively. Cafeterias, on the other hand, experienced a drop in the average number of visits per family—3.9 percent.

Restaurant sales up 7.6 percent . . .

CREST sales continued to strengthen during the March-April-May quarter—rising 7.6 percent over the same period one year earlier. This compares with a 7.0 percent gain in the winter, a modest 5.0 percent gain in the fall and a slower 1.3 percent increase in the summer.

The average expenditure for a restaurant meal or snack—per person check size—rose 5.3 percent during the spring quarter—slightly above the 4.5 precent increase recorded during the winter period. This also continues an upward trend, as the average check size rose only 2.1 percent in the fall and 1.5 percent in the summer. The 5.3 percent average check size increase is only slightly higher than the 4.6 percent gain in menu prices recorded by the Consumer Price Index (CPI) for food away from home during the same period.

Promotion usage drops slightly . . .

Restaurant operators are continuing to use promotions as a means of building customer traffic, but the level of usage dropped slightly during the spring quarter. During the March-April-May period, 11.0 percent of the meal occasions involved a promotion—down from 11.6 percent during the same three-month period one year earlier. Promotional usage is also down from the winter quarter's 12.9 percent, but slightly higher than the fall quarter's 10.9 percent rate and the 10.0 percent level of last summer.

A look at the use of promotions by restaurant type shows that fast food restaurants use promotions most frequently. Promotions were used on 14.1 percent of the meal occasions at fast food places—down slightly from 15.6 percent during the same period a year ago. Family and atmosphere/specialty restaurants also used a more modest percentage of promotions during the spring quarter—10.4 percent and 10.2 percent, respectively.

Traffic increases at atmosphere/specialty restaurants . . .

Atmosphere/specialty restaurants posted the most favorable gains in traffic during the spring quarter, while customer counts at fast food and family restaurants increased somewhat more modestly. However, traffic levels dropped at cafeterias and coffee shops during the March-April-May period.

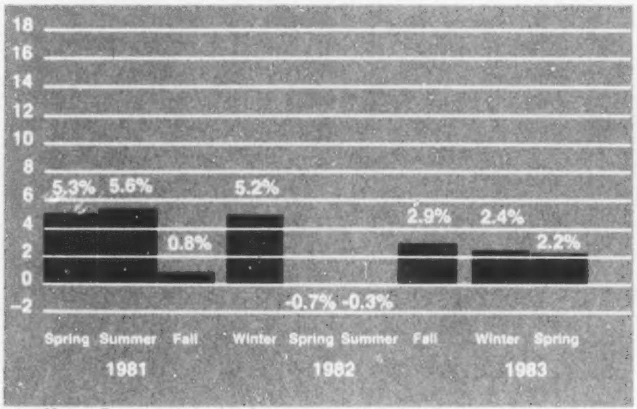
Traffic rose 3.9 percent at atmosphere/specialty restaurants in the spring quarter from the same period a year ago. An increase in the average number of times families visited upscale restaurants as well as gains in party size helped boost traffic.

The per person check size at atmosphere/specialty restaurants rose only 1.6 percent in the spring quarter from the

CREST data can be helpful to restaurateurs

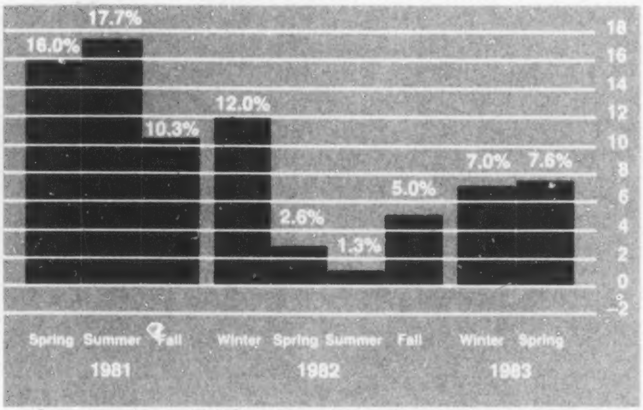
The CREST information presented here can be useful to restaurateurs as a base for comparing their operations with industry performance nationally as well as with performance within their specific restaurant category (fast food, family, atmosphere/specialty restaurants). CREST data can also help monitor performance for specific meal periods and identify how segments will be affected by economic conditions. More detailed CREST information is available to NRA members through the research and information service department of the National Restaurant Association, 311 First Street, N.W., Washington, DC 20001.

Percent change in quarterly customer traffic (Spring 1981 - Spring 1983)



Note: *Percent change is from same quarter in prior year.*
Source: *CREST, NPD Research, Inc.*

Percent change in quarterly CREST sales* (Spring 1981 - Spring 1983)



***Sales based on total U.S.; average for two-week period each quarter.**
Note: *Percent change is from the same quarter in the prior year.*
Source: *CREST, NPD Research, Inc.*

same period a year ago. This compares with a more substantial 5.3 percent average increase for all restaurants. Promotions were used on 10.2 percent of the occasions at this restaurant type—up slightly from 10.0 percent during the same period one year earlier. These factors may have contributed to consumers perceiving a favorable price/value relationship for a meal at atmosphere/specialty restaurants and contributed to the rise in traffic. Also, increasingly optimistic consumers may have begun "trading up" to atmosphere/specialty restaurants—treating themselves more often to a meal at an upscale restaurant.

Customer counts at fast food restaurants rose only 2.9 percent in the spring quarter—the lowest increase in three quarters, and considerably slower than the 6.8 percent posted during the winter period. Fast food restaurants experienced a very slight growth—0.2 percent—in the number of visits by patrons in the spring and a modest decrease in party size (the average number of persons per occasion) which probably contributed to the smaller than average increase in traffic. NRA believes that many patrons are trading-up and opting to visit more expensive eating establishments.

Promotions were used on 14.1 percent of the meal occasions at fast food establishments during the March-April-May period—down from 15.6 percent in the spring of 1982. The per person check size rose 5.8 percent at this type of restaurant which helped boost overall sales 9.0 percent during the spring quarter.

Family restaurants experienced a modest 2.2 percent gain in customer traffic during the spring period—a stronger rise, however, than the 0.1 percent increase posted in the winter quarter. Visit frequency and the number of families dining at family restaurants increased slightly, which more than likely contributed to the improved traffic count.

The per person check size rose an above average 7.0 percent during the most recent CREST period, compared with a smaller 5.3 percent increase for all restaurants. Promotions were used on 10.4 percent of the occasions at family restaurants, down from 11.4 percent one year earlier.

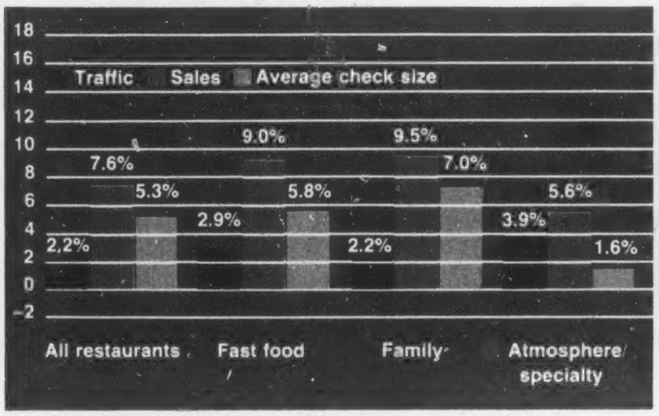
Coffee shops and cafeterias experienced declines in customer traffic during the spring quarter. The number of families dining out at coffee shops and cafeterias dropped during the March-April-May period and contributed to the decrease in customer counts at these establishments. Take-out restaurants, however, experienced a sharp increase in traffic, boosted by a gain in visit frequency and a rise in the number of families patronizing this type of restaurant.

Breakfast customer counts up dramatically . . .

Traffic at all three of the main meal periods—breakfast, lunch and supper—rose during the spring quarter, but breakfast easily captured the number one spot. Customer traffic for the first meal of the day was up an impressive 17.0 percent during the March-April-May period, compared with a significantly lower 5.3 percent rise in the winter quarter. Visit frequency really accelerated—up 9.5 percent—which contributed to the above average rise in customer traffic. The number of families eating breakfast away from home also increased somewhat. This, too, helped boost traffic levels. Per person check size increased 3.5 percent during the breakfast meal, slightly lower than the average gain. Promotions accounted for only 8.8 percent of breakfast occasions during the most recent CREST quarter, down from 10.8 percent one year earlier. Restaurateurs interested in boosting customer traffic may want to emphasize the morning meal, as more and more consumers seem to be eating this meal away from home.

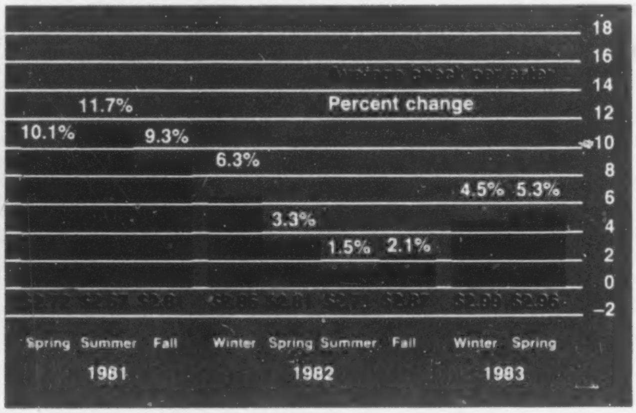
Customer counts for the evening meal advanced 2.2 percent in the spring quarter, down slightly from the 3.6 percent rise during the winter period. Visit frequency—up only 1.3 percent—along with very slight decreases in both party size and the number of families eating dinner away from home probably contributed to the modest traffic increase. The average

Spring quarter performance by select restaurant type



Note: *Percent change is from the same quarter in the prior year.*
Source: *CREST, NPD Research, Inc.*

Average per person check* (Spring 1981 - Spring 1983)



**Based on average two-week period.*
Source: *CREST, NPD Research, Inc.*

check size for the dinner meal experienced an above average increase—5.9 percent during the most recent CREST period. This rise helped boost sales for the dinner period. Dinner sales advanced 8.2 percent—slightly higher than the average 7.6 percent posted for all restaurants. Promotions were used on 15.0 percent of all dinner occasions, down from 16.2 percent during the same period one year earlier.

Restaurant traffic at lunch rose only slightly during the spring quarter—0.7 percent. This compares with a somewhat more positive 1.2 percent increase posted in the winter period. Visit frequency for the mid-day period increased 1.0 percent, and the number of families eating lunch in restaurants rose slightly. Both of these trends contributed to the gain in customer traffic counts. Improving unemployment levels should help bolster traffic and sales for this meal period even further.

Snacking occasions continue to experience declines in customer traffic. During the spring quarter, traffic counts dropped 2.8 percent for this meal period. Families continue to snack away from home less often. Visit frequency for snacking occasions declined 0.2 percent during the spring quarter. This decline, however, is less steep than the 4.8 percent drop in visit frequency experienced by this meal period in the winter quarter.

What is CREST?

Launched in September 1975, the CREST (Consumer Reports on Eating Share Trends) survey is designed to track expenditures and behavior in the commercial segment of the foodservice industry. While the study does track chain trends, it contains a great deal more data, including information by type and classification of restaurant and also by meal or snack period.

Some 10,000 families, or approximately 30,000 persons, participate in the study. They have been selected to represent the demographic patterns in the U.S. Each family is asked to record restaurant experiences for a particular two-week period for each of the four quarters during the year. Because the study is repetitive, it creates an excellent opportunity to follow changing trends.

In order to properly complete the CREST diary, several steps are involved. The first step requires that each household member make a daily entry for each meal during the two-week period. Whenever the code for restaurant purchases appears, the participant is asked to elaborate on the occasion by making further entries in the diary.

The second portion of the diary is used only if a household member ate or obtained food prepared away from home in establishments such as restaurants, hotels and motels, fast food/drive-ins, delicatessens, refreshment stands, carryouts, coffee shops, donut shops, ice cream shops or eating places inside variety stores or other retail stores. The diary will not include any meals eaten at schools, hospitals, colleges or other institutional feeding places. When the two-week reporting period is complete, the diary is returned to NPD Research, Inc.

The CREST study is a joint effort of individual foodservice organizations acting in concert to fund a study perhaps beyond the economic reach of any of the individual participants. NRA is solely a participant in this study and not a sponsor. Readers wishing more information on how to participate in the CREST study should contact NPD Research, Inc., 9801 West Higgins Road, Rosemont, IL 60081.

The CREST study is designed to provide information on customer behavior, not attitudes. This study will, therefore, provide the user with information on how much people spend, where they spend, what they spend on and so forth. It will not tell people's attitudes toward a particular issue. Because it is an ongoing study, it will allow comparison against a standard—and aid in the development of trend analysis. This enables the operator to make decisions based on documented trends rather than on casual observation.

MARKET RESEARCH:
Sharpening your competitive edge

Members of the National Restaurant Association's Market Research Group met in Scottsdale, AZ, last spring to discuss how to use research information to raise bottom line profits. Areas covered included analyzing the competition, conducting a market audit, using research to make strategic decisions as well as forecasting.

Bob Siegel of Restaurant Consulting Group, Inc., in Kenilworth, IL, told attendees, "Don't guess about the competition!" He described the data base RE-COUNT*, which researchers can use to find out about the competition in an objective, accurate and inexpensive way. According to Siegel, they can learn

- who the competition is
- what the competition is (type of restaurant)
- where the competition is located and
- how many units the competition operates.

By combining this information with population, demographic characteristics and eating place sales figures, the market researcher will have a better and more accurate understanding of the market area. This can then be used to form the basis for developing a quality information system for market areas, states and regions to determine potential of markets, market development and market performance.

Joel Levine of the Pillsbury Company in Minneapolis, MN, discussed how to integrate marketing research into the strategic planning process. He stated that marketing researchers have four key responsibilities. They are

- managing the tremendous increases in the volume of statistical and research data
- translating these data into information
- selectively informing decisionmakers of what they should know and
- producing an assessment of possible futures based on the analysis of the data.

Levine added that these responsibilities can be applied to such areas as

- concept and new product development
- marketing, advertising and sales
- construction and expansion
- acquisitions and
- new business development.

Levine cautioned that classic market research (segmentation studies, concept tests, product testing) cannot do the job alone. Researchers also must be able to identify and evaluate possible outcomes based on data collected.

Lee Phillips of Management Decision Systems in Waltham, MA, spoke to the Market Research Group about using market research to build a better forecasting system.

Phillips explained that forecasting efforts should focus on what has happened, what is happening and what will happen. In this way, market researchers can determine what the effect of unknown information is on the company's current plans.

Phillips added that this forecasting information must be presented in a form that is understandable to upper management.

Different ways to analyze the market...

There are many ways to analyze and evaluate an existing or potential restaurant market. Three such methods were discussed at the meeting.

Brian Harron, of Arizona Dining Information Group in Phoenix, AZ, using the example of an on-going study designed and conducted by the Arizona Dining Group, explained how tracking studies can aid market research.

Harron explained that the information can be used for such things as monitoring the competition, gaining a better understanding of the industry, performing demographic analysis, forecasting, product tracking and analyzing market shares. All of this information can be used to plan for new units or evaluate existing units.

Clyde Thompson of Restauranteur, Inc. in Richmond, VA, described the differences between primary and secondary market studies. When conducting a primary data study, he said, the researcher collects information on behavior and attitudes of the population to be served by the restaurant. When conducting a secondary data study of a market area for a restaurant, the researcher is interested in obtaining information on the demographic characteristics of the population to be served by the establishment, traffic patterns in the area, competition, business and commercial development and future trends or changes.

Michael Capizzi of Burgoyne, Inc. in San Francisco, CA., discussed how sales information can be used to assess a market or the performance of a restaurant. Capizzi said that monitoring sales information over time would enable the market researcher to systematically measure the effect of specific marketing variables on retail performance. Although a performing sales analysis, or a sales audit, is relatively easy to do for one's own restaurant organization, comparable information on competitors often does not exist. Capizzi urged attendees to play a more vital role in implementing expanded sales research opportunities in the restaurant industry so that this approach to market analysis can become more feasible.

William Mayer of BK Associates in Wayzata, MN, presented some tips on how to collect and organize information from books, newspapers, magazines and research journals. He suggested that market researchers keep a notebook of interesting articles, market surveys, books and speeches and make notations in the margins concerning the significance of the idea or ideas presented. Periodically they may want to summarize and interpret this information for others.

Mayer explained how researchers can organize their reading and information gathering activities. For instance, if they want to monitor general customer trends, they will want to look for articles on such things as lifestyles, brand choices or emerging trends in periodicals, such as *Advertising Age*, *Sales & Marketing Management*, *American Demographics*, and *The Wall Street Journal*.

Interested in NRA's market research group?

NRA's Market Research Group is a special group of NRA members who are interested in exchanging information on research techniques and new methodologies.

The next Market Research Group meeting will be held September 28-30, 1983 in Nashville, TN. For more information, contact Bette B. Hoyt at NRA's Washington office, 311 First Street, N.W., Washington, DC 20001.

—Bette Hoyt

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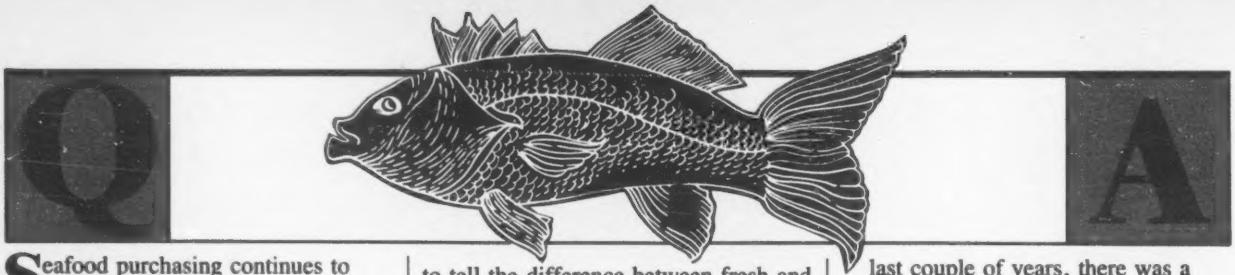
*The National Restaurant Association will be publishing data from RE-COUNT in the "Foodservice Trends" section of the September *NRA NEWS*.



Seafood purchasing continues to baffle many operators. Here are some of the questions participants asked at NRA's Second Annual National Conference on Purchasing. The respondents were Lee Weddig (LW), executive vice president, National Fisheries Institute; Carl Mitsakopoulos (CM), secretary-treasurer, Chicago Fish House and Ken Munch (KM), vice president, Jerrico, Inc.

Q: What is the correct way to thaw fish? I'm primarily using Icelandic 13 pounders right now. Do you throw it on a table or do you put it under water?

CM: I would thaw it under running cold water, wrapped with cellophane or some sort of foil. I think that's the best way for preserving the quality and thawing it.

Q: Can shrimp be refrozen after it has been cooked and shelled?

LW: It's certainly acceptable if you have a freezer that can freeze it rapidly. The prepared, cooked products, for example, that are on the market—which are quite excellent—have been handled just that way.

I really wouldn't recommend slow freezing, which would be the normal way you could do it in your kitchen. One thing to remember: The freezer that you have in your operation is not designed to freeze food. It's designed to hold frozen food. Don't expect the freezer to really protect the product.

Q: Is there a way that I can tell if fillets have been previously frozen and defrosted and sold to me as a fresh product rather than a frozen one?

LW: Yes, in most cases you can. However, it depends on how well it was frozen to begin with and the quality of the product before it was frozen. If it were caught on a freezer boat, filleted and frozen at sea and brought back that day and frozen immediately, it's more difficult to tell. There's a great difference between the quality of that frozen fillet opposed to one that might have been on a boat for eight to 10 days before it arrived at the freezer plant. Thawing those two products is going to produce different fish.

CM: We had a little contest recently in Chicago. Different chefs tried to tell the difference between fresh and frozen fish. Some of the people were stumped. It is difficult to tell if something is of high quality and has been processed correctly and immediately.

Q: If you get a good price on frozen fish and you want to buy a large quantity, how long could you keep it in the freezer?

LW: It depends on the species. To start, is it a fat fish or a lean fish? The fatty fish would be items like salmon or mackerel. A lean fish would be cod, haddock or other ocean-light fish. The ocean-light fish will maintain themselves in a freezer for a longer period than the fat fish. I think you could count on nine to 12 months on good frozen ocean-light fish provided you've got a freezer that's holding it at minus 10°C or thereabouts on a steady basis without fluctuations. For fatty fish, I think you're more in the six to nine month range, depending on the quality of your freezer.

KM: You can't hold fish in a walk-in freezer in a restaurant for nine months and think it's any good. But if it's in good commercial cold storage up to a year old, you can't tell the difference. Even under the best of conditions, once you get past 12 months, you begin to see discoloration and some flavor and odor problems.

Another factor is the quality of the packaging. Make certain that the packaging is really first rate and adequate. If it's not a packaged product, make sure the glazing is sufficient to protect the product.

Q: What is presently the most popular, economical ground fish nationwide. Also, what will it be in the next five years?

LW: Cod is the most popular overall, mainly because the supply is most consistent. Looking to the future, the Pacific Northwest has a very substantial cod resource that is just now beginning to be tapped by the domestic industry. Also I think you can expect some great things out of Alaska over the next five years.

KM: I fully agree, but during different times of the year there are other species that are very plentiful. In the last couple of years, there was a stretch where ocean perch was in overabundance and available at very attractive prices. The question is, though, how many people will eat ocean perch as opposed to cod? Cod is all white, which people like to see in fish. It has a very mild flavor. Perch has a stronger taste.

Q: I live about 15 miles from the Chesapeake Bay and have the option of dealing directly with local fishermen. I wonder what comments or suggestions you might have about dealing with the locals?

KM: If you're a local, you can control and use that product right there. It makes a lot of sense. But if you're having to redistribute the product to a variety of locations, you may have problems. That's the plus that a small operator has over a chain. You can utilize more fresh seafood and promote seasonal specialties.

LW: I'd just like to add two notes of caution. One has to do with sanitation. The Chesapeake is one of the leading sources of oysters and clams. When you're dealing with locals on oysters, clams or mussels, make certain that the product bears the certificate of shellfish sanitation. This is particularly important if you're selling the product in raw form. There is an elaborate system in place around the country to make certain that commercially sold shellfish comes from clean growing waters. There's a certificate that should accompany the product. If it doesn't have the little tag that shows where it's from, don't buy it. You may be dealing with a product from polluted waters, which could cause illness.

The second point is to make certain that the product is legally caught. This is a matter of dollars to you. There is a law on the books called the Lacey Act. It makes the sale of illegally caught fish a federal offense. Usually the law is concerned with size. For example, the state of Maryland says you can't take a rockfish out of the Chesapeake that's more than 25 pounds. You better know what those laws are. Otherwise, you're liable as well as the fisherman, and the penalties are quite severe. Fines range up to $25,000. ☐

HALF BAKED

A good explanation is worth $1.50

The Market Inn, a Washington, DC, seafood restaurant, had a plan to deter patrons from buying crab meat, but it failed.

Manager Mike Kipp explains that after a 13-month moratorium on price hikes at the restaurant, suddenly the cost of crab meat went from $8.50 to $18.00 a pound. Wanting to make a profit and not wanting to reprint its menu, the restaurant decided to add a $1.50 surcharge on all crab meat dishes.

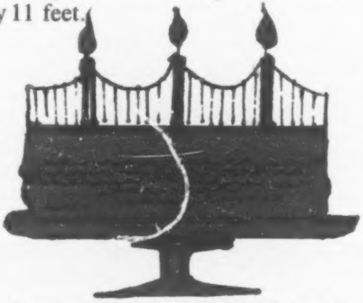
In a departure from convention, patrons learn about the reason for the surcharges in a letter from Market Inn owner Carl Mondis. "Attention all Market Inn patrons," the letter begins. "Crab meat from the blue crab is currently scarce on the whole East Coast. Prices are skyrocketing due to this shortage." The letter goes on to explain the additional charges for crab meat dishes.

Apparently customers are satisfied with the explanation as the surcharge has not deterred crab sales. Kipp reports sales are as good as or better than before the surcharge. "If you give people a good explanation up front, they won't mind the extra charge. During the two months that we had to do this, no one complained," said Kipp.

—*NRA NEWS* interview

The Brooklyn Bridge gets more than a cupcake on its 100th birthday

How much do New Yorkers think of the Brooklyn Bridge? Enough to commemorate its 100th birthday with fireworks, the Brooklyn Philharmonic Orchestra and a spectacular birthday cake measuring more than six by 11 feet.



A team of chefs from Sheraton hotels in New York created this two and one-half ton cake. Former chef of Manhattan's Russian Tea Room and current St. Regis Sheraton Food and Beverage Manager, Russell Menkes, oversaw the design and assemblage of this one-of-a-kind cake. Pastillage Chef Gerhard Wessels was commissioned by Menkes to create the exact edible replica of the Brooklyn Bridge, which tops the culinary masterpiece. It was executed entirely in pulled sugar and white chocolate with cocoa painting.

For anyone wishing to duplicate the cake at home here is the recipe: 1,500 lbs. of sugar, 72 doz. eggs, 20 gals. of milk, 2,000 lbs. of flour, 438 lbs. of white chocolate, 647 lbs. of dark chocolate, 200 lbs. of vanilla icing and 68 lbs. of lemon filling. This cake can serve 4,000 of your closest friends and their gue[illegible]

Sheraton Hotels

It's Scouse for the back of the house

Passengers of the luxury liner Queen Elizabeth II may be accustomed to gourmet dishes like roast duckling a la orange, beef Wellington and smoked salmon, but the cooks aboard swear by a dish called scouse (rhymes with house). No one really knows where the name comes from or its exact meaning, but scouse is also British slang for the people who live in Liverpool. It's a term of endearment aboard the Queen because the scouse of Liverpool make up a large part of the ship's crew.

What kind of dish is scouse? It's nothing more than a simple and hearty beef stew.

"Our crew couldn't live without a drop of scouse," confesses executive chef Vic Coward. And so a pot of scouse simmers somewhere on the Queen 24 hours a day. However, the only way a passenger can eat this back-of-the-house favorite is by getting seasick. It is the one dish that is guaranteed to stay down.

—*Washington Post*

P.S. Does anyone know the origin of the word scouse?

Where are the burgers?

A hamburger place without hamburgers is as unsettling as Egypt without the pyramids. Yet in Minnetonka, MN, that's what you'll find. McDonald's is operating a prototype fast food counter that doesn't sell burgers, Big Macs or Quarter Pounders.

The unit is called McDonald's McSnack, and along with no burgers, it has no tables and no seats. McSnack's 400 sq. ft. of space is not enough room for a hamburger grill. So the store sells such other McDonald's mainstays as Chicken McNuggets, Egg McMuffins, fish sandwiches, french fries, soft drinks, cookies and sundaes.

McDonald's Corp. calls McSnack a "test idea" to find new types of locations for its restaurants.

Reactions are mixed. First-time customers are somewhat shocked and confused by not finding a burger at McDonalds. But a McDonald's spokesperson says the company is "pleased with the progress so far." No decision has yet been made to open other McSnack units.

The idea does take some getting used to.

—*The Wall Street Journal*

NRA SEMINAR SCHEDULE

American Regional Cookery
9/14-15 Los Angeles, CA
10/5-6 San Francisco, CA
10/25-26 New Orleans, LA

Simplified Baking Workshop
10/17 Portland, OR
10/19 Los Angeles, CA

Banquets and Buffets
8/22-23 Minneapolis, MN
9/12-13 Atlanta, GA
10/3-4 Chicago, IL

Bar Management
8/22-24 Rochester, NY
9/19-21 Seattle, WA
10/17-19 Philadelphia, PA

Controlling Beverage Costs
9/14 Des Moines, IA
10/11 Orlando, FL

Off-Premise Catering
9/12-13 Raleigh, NC
10/19-20 Denver, CO

Computers in Foodservice: A Primer*
9/26 Seattle, WA
9/29 Palo Alto, CA
10/3 Honolulu, HI
10/17 Houston, TX
10/24 Orlando, FL

Computers in Foodservice: Advanced Technologies/Now That I Have One. . .*
9/27 Seattle, WA
9/30 Palo Alto, CA
10/4 Honolulu, HI
10/18 Houston, TX
10/25 Orlando, FL

Perfecting Your Culinary Skills
8/25 Kansas City, MO
9/22 Louisville, KY

Restaurant Design and Facilities Planning
8/29-30 Dallas, TX
9/19-20 Reno, NV

Dining Room Management
8/22 Charleston, SC
9/12 Fargo, ND
9/26 Burlington, VT
10/24 Little Rock, AR

Preparing a Successful Employee Handbook
9/26 Atlanta, GA

Eyeing, Buying and Selling Fish and Seafood
9/29 Kansas City, MO
10/17 Jacksonville, FL
10/19 Chicago, IL

Controlling Food Cost
8/17 Anchorage, AK
8/29 Philadelphia, PA
8/31 Boston, MA
9/12 Denver, CO
10/3 Biloxi, MS

Hiring Hourly Employees
9/12 Indianapolis, IN
9/14 Oklahoma City, OK
10/6 Montpelier, VT

Kitchen Management
8/15 Salt Lake City, UT
8/17 San Jose, CA
9/15 Wilmington, DE
9/27 Schaumburg, IL (Chicago)
10/13 Tucson, AZ
10/17 Las Vegas, NV

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation
7/25-26 Denver, CO
10/5-6 Phoenix, AZ

Meat: Purchasing, Preparing and Merchandising
8/23 Rochester, NY
10/13 Indianapolis, IN

Menu Development
8/24 Sacramento, CA
9/20 Cincinnati, OH

Creative Merchandising Techniques
9/26 Salt Lake City, UT
9/27 Albuquerque, NM
10/11 Syracuse, NY

Motivation: Increasing the Desire to Do More and Better Work
9/1 Anchorage, AK
10/11 Washington, DC

How to Open and Operate a Restaurant
9/7 Baltimore, MD
10/18 Boston, MA
10/25 Atlanta, GA

Operational Analysis: Understanding Foodservice Revenues and Expenses
10/26-27 Miami, FL

The Pantry: Prep for Profits
9/28 Portsmouth, NH
10/31 Washington, DC

Planning and Implementing Restaurant Marketing Strategy
8/22-23 Los Angeles, CA
9/12-13 Phoenix, AZ
10/3-4 Atlantic City, NJ

Basic Supervision
8/30 St. Louis, MO
9/13 Phoenix, AZ
9/20 Minneapolis, MN
10/4 Salt Lake City, UT

Train the Trainer
8/29 New Orleans, LA
9/7 Chicago, IL
10/13 Richmond, VA
10/19 Louisville, KY

Wine: Sales and Merchandising
9/7 Rochester, NY
10/11 Seattle, WA
10/13 Honolulu, HI

National Conferences
8/21-24 National Conference on Promotions, Washington, DC
9/10-15 8th Annual California Wine Workshop, Monterey, CA

For more information, contact
NRA
Education Programs
311 First St., N.W.
Washington, DC 20001
(800) 424-5156

STUDY GROUP SCHEDULE

Internal Audit
9/20-23 San Diego, CA

MAECO (Multi-unit Architects, Engineers and Construction Officers)
9/21-23 Dallas, TX

Foodservice Purchasing Managers
9/22-24 Dallas, TX

Marketing Executives
9/25-28 Chicago, IL

Market Research
9/28-30 Nashville, TN

Financial Officers
10/5-7 Orlando, FL

Tax Executives
10/5-7 Orlando, FL

Electronic Data Processing Managers
10/18-21 Lake Tahoe, NV

All interested persons should contact Philip Kralovec at (312) 787-2525

*Please note that there are basic and advanced courses on the topic of computers . These programs are scheduled consecutively but either can be taken independently of the other.

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Profitable Purchasing

Sample the purchasing programs of top foodservice operations—both large and small. This edited transcript of NRA's 1983 National Conference on Purchasing covers every important aspect of purchasing. It also takes a look at what you may want to do now to get ready for the future. $11.00*; Publication #MG571.

How to Prepare a Restaurant Operations Manual

NRA has taken the best elements of restaurant operations manuals across the country and integrated them into a workbook to help you develop your own first-class manual. Once you have an operations manual, you'll be convinced it saves you money and improves your employees' morale. $10.00* members, $20.00* non-members; Publication #CS300.

Great Menus 1983

Great graphic design and imaginative phrasing are the merchandising ingredients of a top-notch menu. Examine the winners of NRA's 20th annual Great Menu Contest to learn about the state of the art in menu development. $19.95*; publication #PB880.

*Add tax—Wash., DC, and Illinois residents add 6%. Chicago residents add additional 1%.
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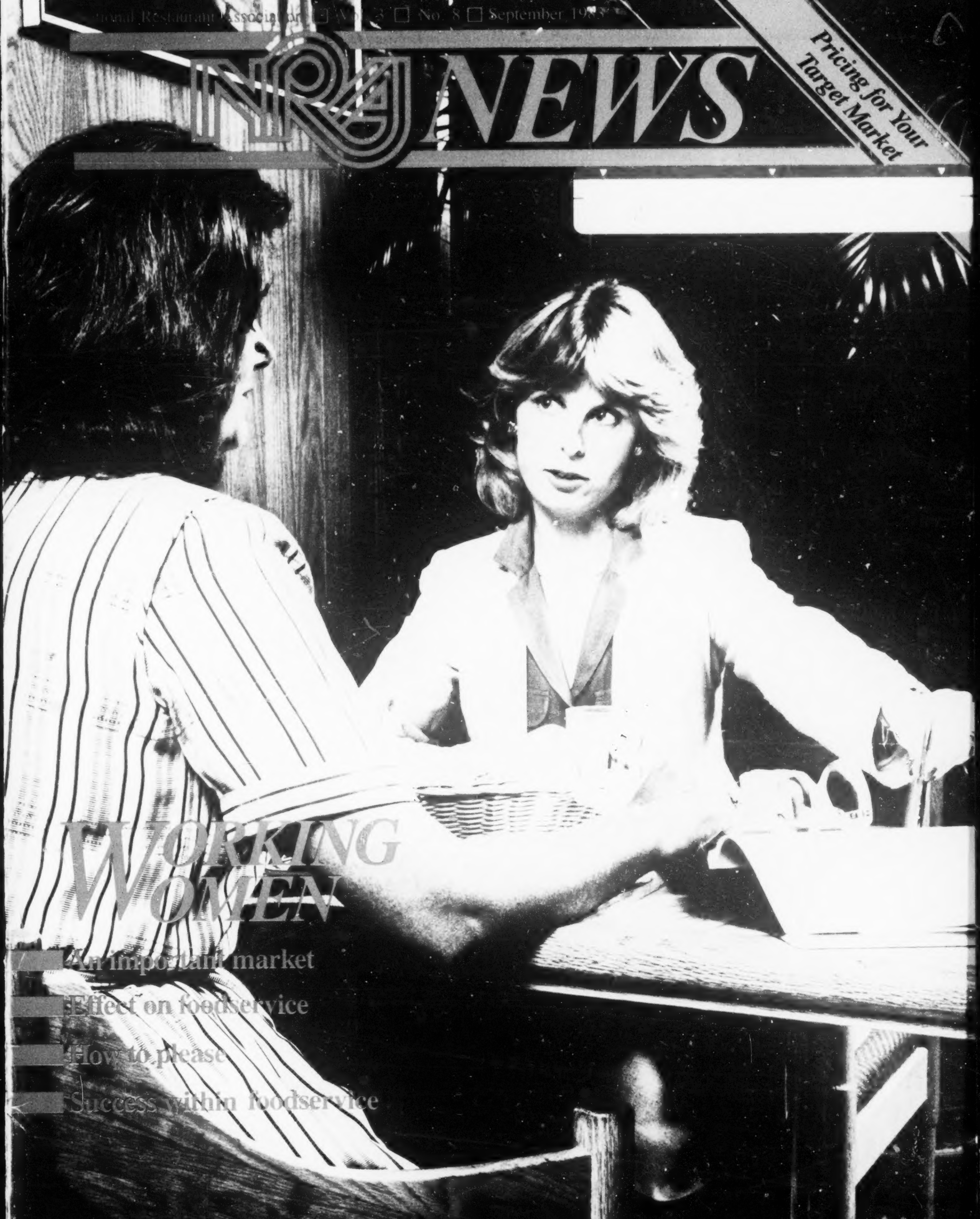
NRA NEWS

Pricing for Your Target Market



WORKING WOMEN

- An important market
- Effect on foodservice
- How to please
- Success within foodservice

Tip reporting: a letter about letters

An action call has gone out to all NRA members requesting that they write their congressman today. Ask him or her to co-sponsor H.R. 3803—the NRA-sponsored bill that will delete allocation from the tip reporting law.

Many members have already written their congressmen. Here are some excerpts from copies of the letters they sent to NRA.

> "As a concerned businessman, I would like to urge you to co-sponsor H.R. 3803 amending the tip reporting law. The current law is confusing and complicated. It is no way to increase taxpayer compliance. I can only imagine the chaos that will occur next year when restaurant employees receive their W-2 forms and begin filing tax returns."

> "We have been placed in the position of estimating employee income—an estimate which may or may not reflect actual tips earned—and we—as a third party—should not have this responsibility."

> "I am very concerned about the strain this law places on our relationships with employees. Since the law has gone into effect, our turnover has increased sharply and in our business that spells trouble."

> "The costs of administering the allocation system are substantial—a management employee supervises the procedure full-time with occasional clerical help . . ."

> "Besides that, the allocation procedure is unjust. It is unjust to employees and to management, and it is unprecedented in our tax code. Congress should reexamine the whole notion of requiring a third party to guess at someone's tax liability."

If you haven't told your congressman what you think of the tip reporting provision, write today. Ask him to support H.R. 3803. Please send a copy of your letter to NRA.

Sincerely,
Jim Hasslocher

Jim Hasslocher

Chairman, Government
Relations Committee

photograph: Mark Borchelt

NRA NEWS

Vol. 4 No. 8 September 1983

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Cover Story

Working women have become an important market for restaurateurs. In their effort to juggle a career with family responsibilities, more and more women have come to depend on foodservice operations of all kinds. This month ***NRA NEWS*** examines the effect working women have had on foodservice.

9 Operators discuss what working women want from foodservice.

31 Consumer surveys, NRA studies and government reports all indicate that the working woman is turning to foodservice operations to help manage her busy schedule. (*Foodservice Trends*)

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13 Profiles of three successful women operator/owners.

15 Viewpoint: Why networking among women in foodservice is necessary.

16 An attractive ladies room can score points for your restaurant.

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Cover photograph:
Mark Borchelt

Location, setting and
service courtesy of La Colline,
Washington, DC

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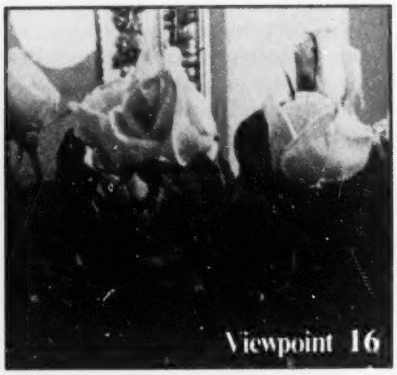
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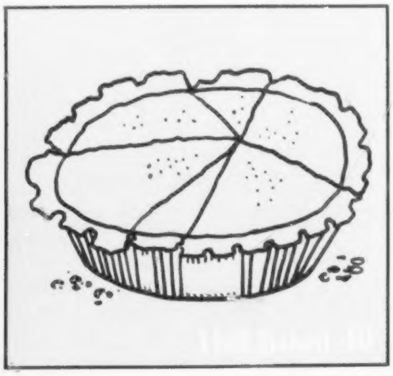

Half Baked 40

SHORT ORDER

Men are changing, too

"Just as marketers have settled down after a wrenching upheaval in the women's market in the 1970s, they now have to rewrite the book on men," reports the August issue of *American Demographics*, a monthly magazine that tracks statistical trends.

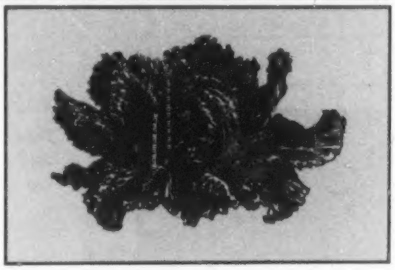
Among the noted changes are a blurring of traditional male/female roles. There is an attitudinal acceptance of men's role in the home and a new ethic of involvement, a belief that sharing jobs at home is the right thing to do. This has extended into such male bastions as *Esquire* magazine, which now includes helpful hints on makeovers, travel, home and food—subjects not mentioned a decade ago.

Drought update

Even though the Midwest is experiencing the worst drought in almost 50 years, food prices should not rise dramatically. According to Ron Gustafson, USDA economist, beef, pork and poultry prices should be fairly stable or even drop during the rest of 1983 and through the first half of 1984. Reason why: the drought is destroying much of the feed corn crop which is causing farmers to bring more animals to market. Consequently, the increased meat supplies will lower overall prices. However, if the excessively dry conditions continue through the fall, prices may start to rise by the second half of 1984.

Other good news—only 30 percent of the foods monitored by the CPI will be affected by the drought. Wheat prices should not rise as the wheat crop was successfully harvested in early summer. Fruit and vegetable prices should not be affected either since very few of these crops are grown in the Midwest.

However, the drought will affect the prices of products containing soybeans (vegetable oil, margarine, salad dressing and soy sauce) as the dry weather has reduced the soybean crop by 19 percent.



Followup

■ *August issue:* **Nutrition**. Marketing Research Corporation has discovered that between 1978 and 1982 there was a 37 percent increase in the number of consumers who reported they were on a sodium-controlled diet.

■ *May issue:* **HOTELS.** Last month, the Northstar Hotel in Minneapolis, MN, raffled away a 10-course gourmet meal for four, valued at $2,000. The drawing was Northstar's way of announcing the multi-million dollar renovation of its four-star Rosewood Room Restaurant. In Arlington, VA, the Stouffer's National Center Hotel has launched a "let me tip you too" campaign to bring its new restaurant and lounge to the public's attention. Bellmen give hotel guests plastic coins, in exchange for a tip, that are good for discounts in the hotel's dining areas.

NRA IN ACTION

- **NRA action on tip reporting**
  NRA-backed legislation has been introduced which would correct inequities in the new tip reporting law, particularly the allocation requirements. Meanwhile IRS has released final tip reporting regulations. The regulations reflect only a few of NRA's arguments made in testimony before the IRS. They do not satisfy the majority of industry complaints regarding the new regulations. See articles on pages 3 and 6.
- **Table tents may be offered by NRA**
  Because of the popularity of last year's Grandparents Day table tents, NRA may offer a series of tents to promote major holidays and event opportunities within the industry. Please take a moment to complete the table tent survey on page 20 and send it back to NRA. The results of this survey will determine whether NRA offers this service.
- **NRA Promotions Conference draws 200 participants**
  Held in Washington, DC, Promotions '83 brought together foodservice operators from all segments of the industry to discuss the trends and successes in restaurant promotions. Look for an article on Promotions '83 in the October issue of *NRA NEWS*. A transcript of the program will be available this fall.
- **Industry study reveals pizza captures largest share of market**
  NRA has contracted for sales publications rights to the RE-Count study summarized in this issue. RE-Count research indicates the number of restaurants by type in each census region in the nation.
- **New NRA Who's Who in the Foodservice Industry published**
  All NRA members have been sent their 1983-84 *Who's Who in the Restaurant Industry*. If you are a member and have not received your copy, please contact NRA's membership department in the Washington, DC office. Non-members may purchase copies.
- **NRA has contracted with Gallup**
  Gallup is conducting a survey for NRA to determine how widespread the American public's concern is about nutrition. Results will help restaurants plan menus. Look for survey results in a fall issue of ***NRA NEWS***.

WASHINGTON REPORT

NRA-backed tip reporting bill introduced

Responding to the outrage of restaurant employees and operators across the nation, two senior members of the House Ways and Means Committee have introduced an NRA-backed bill (H.R. 3803) which will amend the tip reporting provision included in the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA).

U.S. Reps. John Duncan (R-TN) and Andrew Jacobs (D-IN) introduced H.R. 3803 shortly before Congress adjourned in early August for its summer recess. Duncan and Jacobs were also joined by Reps. William Dickinson (R-AL) and Gene Taylor (R-MO).

"This bill seeks to modify the unprecedented methods (established by Section 314 of TEFRA) through which liability is determined. I am speaking about the process of requiring a third party to allocate income to an individual—income that may or may not have been received by that individual," Duncan said in introducing the bill.

"Members of the Ways and Means Committee have a responsibility to scrutinize the statute, its purpose and its effect on the restaurant industry—and the introduction of this legislation will provide the opportunity to do so," the 10-term Congressman said.

Incorporating changes originally proposed by NRA, the bill would correct inequities created by TEFRA.

In particular, it would eliminate an allocation procedure which requires employers to ascribe income to an employee, which he or she may not have received. The bill also would provide relief for employees who earn tips amounting to less than five percent of sales, and it would apply the law to individual units rather than to firms.

At its May meeting, the NRA Board of Directors unanimously endorsed the very changes contained in H.R. 3803. Said NRA President Joe R. Lee, "We are grateful to Reps. Duncan and Jacobs for bringing this matter to the attention of Congress. They are responding to the anger and frustration of millions of foodservice people all over the country.

"We believe all citizens should pay taxes on their income, as required by the tax code," the NRA president said. "The tip reporting requirements were designed to see that servers do so. The intent was good. But the means established—the allocation procedure—are unjust to employees and employers alike.

"Because of this new law, countless employees who work in small operations will have income they did not receive allocated to them. That is unjust," Lee continued. "It requires employers to act as IRS agents in their own establishments instead of allowing taxpayers to settle their own liability with the government."

The Duncan-Jacobs bill would replace current allocation requirements with more manageable reporting procedures. Under the bill, if an establishment's tipped employees failed to report eight percent of sales, an employer would be required to provide IRS with a record of 1) individual charged tips, 2) individual reported tips and 3) individual hours worked or individual gross sales for each tipped employee.

Write your congressman...

Let your representatives know about the problems you and your employees are having with the new law, particularly the allocation provision. Ask them to co-sponsor H.R. 3803. (It is especially important for you to contact your congressman if he is a member of the House Ways and Means Committee, since this is where the bill will first be considered.) If possible, try to include the following in your statement

- How much is the new law costing you?
- How do you feel about estimating what someone else has made in tips?
- Do your employees understand this procedure? Do you understand it?

Tell your congressman that a confusing, complicated, arbitrary law is not the way to increase taxpayer compliance. Tell him about the chaos that will occur next year when restaurant employees receive their W-2 forms and begin filing their tax returns. Tell him that what we need is a simple, straightforward procedure based on real numbers. That's what H.R. 3803 does.

For congressional telephone numbers, call (202) 224-3121 (Capitol switchboard). If writing your congressman in Washington, use this address: U.S. House of Representatives, Washington, DC 20515

Please send a copy of your correspondence to the NRA Government Relations Department, 311 First St., N.W. Washington, DC 20001.

Final tip reporting rules issued

Final IRS tip reporting regulations have been issued by the Treasury Department (in the Aug. 15 *Federal Register*). They are the permanent rules implementing the new tip reporting law (Section 314 of the 1982 tax act), and they replace temporary rules published last December.

Despite protest from the industry and numerous comments by NRA, other trade groups and individual employees and employers, IRS made few changes in the regulations to accommodate restaurateurs and their employees. However, the final regulations do reflect some of the arguments made by NRA in testimony given at an IRS hearing in February and subsequent comments to Reagan administration officials.

Perhaps the biggest change in the new rules is that they allow a restaurant employer to make an allocation just *once* each calendar year instead of at least every 31 days, as the temporary regulations required. Under the final rules, employers have the option of allocating tips each payroll period, or each calendar year or a "reasonable division of a calendar year."

The final rules also will allow the value of some complimentary food and beverages to be excluded from gross receipts (the temporary regulations did not). Under the final rules, the value of complimentary food and beverages will be considered as gross receipts if tipping is customary and if the food and beverages are provided in connection with an activity that is engaged in for profit. Otherwise, they are *not* counted as gross receipts. IRS examples of exclusions: hors d' oeuvres served at a bar or a complimentary dessert served to a regular patron.

The final regulations define what constitutes a "cafeteria-style" operation, which is *exempt* from coverage under the law. According to IRS, a cafeteria-style operation is primarily self-service and the total cost of food or beverages selected by a customer is paid prior to the customer's being seated (or is stated on a check provided to the customer prior to the customer's being seated) and is paid by the customer to a cashier. Cafeteria lines, buffets and smorgasbords are considered primarily self-service.

If, after a customer is seated, an employee delivers items (such as an item that requires additional preparation after being selected by a customer at no additional cost to that customer) an operation's status as primarily self-service would *not* be affected.

Of particular interest to multi-unit operators, the final regulations will allow an employer to file *one* application for a reduction of the eight percent allocation threshold (to as low as five percent) for all units in a particular IRS region, provided a company's units have the same tipping rate.

The final regulations also provide that for applications filed prior to Sept. 30, 1983, the district director may allow an approved reduced percentage to be applied retroactively to the first day of calendar year 1983.

The final regulations also allow an employer the option of counting charges to a hotel room as charge receipts.

Another change that benefits employers: Under the temporary regulations, an employer would have had to provide to IRS the names, social security numbers, wages paid to and tips reported by each tipped employee for the first-quarter report for 1983. The final regulations *do not* require that this information be provided in the first quarter report.

The final regulations also make it harder for employees to revoke a "good faith" allocation agreement. Under the temporary rules, an agreement could be revoked if at least 50 percent of tipped employees affected by the agreement voted it down. Under the final regulations, it would take a majority of at least *two-thirds* to revoke such an agreement, and a good faith agreement may be applied for all of 1983 if it is adopted on or before Dec. 31, 1983.

Minimum wage again an issue

The minimum wage is once again in the spotlight. U.S. Rep. Mario Biaggi (D-NY) has introduced legislation (H.R. 3652) that would raise the federal minimum wage to $4.15 an hour, and Rep. John Erlenborn (R-IL) has introduced a bill (H.R. 3679) that would allow employers to hire youths at $2.85 an hour for a period of six months. Both congressmen serve on the House Education and Labor Committee, where the bills have been referred, and both bills appear to have little chance of passing this year.

In introducing his bill, Biaggi said that in the 30 months since the minimum wage was last increased, the purchasing power of the dollar has declined 17 percent. "While it is called the minimum wage," he added, "in reality it represents the maximum source of income for many workers. The 80-cent increase provided for in my bill is the amount needed to compensate for inflation as well as to build upon the history of increases of the minimum wage since it was first enacted in 1938."

Erlenborn, ranking Republican on the Education and Labor Committee, noted that the job situation for teenagers has changed little since 1981, when he introduced a similar youth wage proposal. According to Erlenborn, minority youth unemployment still exceeds 45 percent, and unemployment among white teens is still about 20 percent. "Although there have been arguments to the contrary, I subscribe to the results of studies which show that a youth opportunity wage could raise total teenage employment levels and create job opportunities for over 500,000 unemployed teenagers. A major obstacle to their being hired is the minimum wage, now at $3.35 an hour, which discourages employers from hiring them," Erlenborn said.

Under his bill, an employer could hire teens under the age of 19 at 85 percent of the minimum for no longer than 180 days. After that period, the employer would have to pay the full minimum. Teens already employed could not have their wages lowered to $2.85 to take advantage of the bill.

NRA supported a youth opportunity wage in 1981 when several proposals were before Congress and hearings were held in the Senate. However, Congress never gave the legislation serious consideration for fear of sparking a minimum wage fight between business and labor.

NRA updates guide to Congress

NRA's pocket-sized guide to Congress has been updated for the 1983-84 legislative session. The guide lists all congressmen and senators. It gives their photographs, includes their addresses and telephone numbers, lists the committees they serve on and mentions their key staff members. In addition, the guide lists all committees in the House and Senate, key administration officials as well as tips on making your views known to legislators.

Those members interested in obtaining a free copy should contact Gerri Rollins in the NRA's Washington office (311 First Street, N.W., Washington, DC 20001, (800) 424-5156). Non-members will be charged $5 for each copy requested.

REVENUE OPTIONS:

Halving business meal deduction; doubling liquor taxes; taxing fringes

Will Congress raise $12 billion in new revenue in the fiscal year beginning Oct. 1, 1984? Will it raise $73 billion in new tax increases over the next three years? That's what the budget resolution for FY 1984 requires, but it is becoming increasingly doubtful that Congress will raise anywhere near that amount.

With the economy recovering at a much faster pace than originally anticipated—$30 billion in new revenue may be generated over the next two years simply through increased economic activity—some congressional representatives don't see the need for new taxes and are understandably reluctant to raise them for fear of jeopardizing the recovery. There is little enthusiasm in either the Senate or House tax-writing committees for raising amounts of that magnitude, and a number of key committee members say they just don't see it happening.

Yet, don't be surprised if later this year Congress attempts to milk new revenue out of the business community by eliminating tax credits, closing loopholes or increasing "taxpayer compliance." There are several "revenue option" papers circulating on Capitol Hill, and among those the restaurant industry should be particularly concerned about are schemes that would limit the deduction for business entertainment expenses by 50 percent, double the current excise tax on liquor and tax fringe benefits.

Halving the business meal deduction...

The Democratic Study Group (DSG) earlier this year published a list of 41 revenue-raising options, including a proposal to limit business entertainment expenses. According to the DSG report, "To check the government's subsidy of business meals and entertainment, deductions for these expenses could be limited to 50 percent of the amount spent." Under current law, businesses and individuals may deduct from taxable income the full amount spent on meals and entertainment directly associated with the firm's business.

DSG says such a 50 percent reduction would raise $500 million in FY 1984, $1.1 billion in FY 1985 and $1.2 billion in FY 1986.

Last year, a similar proposal nearly became law when Congress took up the Tax Equity and Fiscal Responsibility Act (TEFRA). It was defeated after strong opposition from the restaurant industry, but Congress—pressed for new tax dollars—adopted in its place the tip reporting law. At the time, NRA estimated that halving the business meal deduction would result in the loss of over 100,000 jobs in the foodservice industry.

Doubling excise taxes...

Another list of tax options compiled by the Congressional Budget Office (CBO) was given to the Senate Finance Committee during a hearing in late June. It mirrors in many ways the earlier DSG report, including a recommendation that the current federal excise tax on liquor be doubled.

Said then-CBO Director Alice Rivlin, "Federal excise taxes on alcohol have not been increased since 1951. Doubling those excises would follow the pattern of the tobacco excises set in TEFRA.

"Distilled spirits are currently taxed at $10.50 per gallon; doubling that tax would raise about $2.7 billion per year. Doubling the excises on beer and wine combined would raise about $1.3 billion per year. At present, beer and wine are both taxed significantly more lightly than distilled spirits as a percentage of retail price, so differential treatment might be called for."

Taxing fringe benefits...

Halving the business meal deduction and doubling liquor excise taxes at this point are still just ideas, but bringing more fringe benefits under the tax code could see action before the year is out. The reason is that a congressional moratorium on new rules in the area of employee fringe benefits will expire at the end of this year. Both Treasury officials and some members of Congress are now calling for changes in the tax treatment of these benefits, which in recent years have outpaced growth in wages. Last year fringe benefits reached a record total of $540 billion.

New legislation that offers guidelines for distinguishing between taxable and nontaxable fringe benefits has been introduced by Rep. Barber Conable (R-NY), ranking minority member of the House Ways and Means Committee, and Rep. Fortney (Pete) Stark (D-CA), chairman of that panel's Select Revenue Measures Subcommittee. A hearing on the bill was held on Aug. 1.

The bill (H.R. 3525) would provide permanent rules for the tax treatment of those fringe benefits not specifically excluded from income taxes by present law. Generally, the U.S. code considers as taxable income any economic benefit conferred on an employee for compensation, whatever form it takes. Through the years, however, a number of statutory exclusions have been added to the code, such as the tax-free status of meals provided to restaurant employees for the convenience of the employer.

H.R. 3525 would not apply to any fringes already excluded from taxes under the law (such as qualified pension, profit-sharing and stock bonus plans, health care plans, legal services, educational assistance and dependent care assistance). Instead, the bill would address those fringes currently not covered by statute. H.R. 3525 would clarify their tax treatment by establishing four broad categories of fringes considered nontaxable. These include

1) no-additional-cost services (the employer incurs no substantial additional cost in providing the fringe); 2) a qualified employee discount (cannot exceed 20 percent of the retail price); 3) a working condition fringe (must facilitate the employee's performance of service to the employer); and 4) a *de minimus* fringe (the value is so small as to make accounting for it unreasonable or administratively impractical).

CBO has said that if Congress were to tax all nonstatutory fringes, about $3 billion in new revenue would be produced over a three-year period. Another "revenue raiser" being considered by Congress—limiting the present tax exclusion for employer-paid health care plans to an amount not exceeding $160 a month for families and $65 a month for individuals—would bring in $2.7 billion in FY 1984, $5 billion in FY 1985 and $6 billion in FY 1986.

—Jay Morris

▼ COMMENTARY ▼

TIP REPORTING

A BUREAUCRAT'S DREAM, A CITIZEN'S NIGHTMARE

by ROBERT NEVILLE
NRA Executive Vice President

To anyone who knows a good deal about the food-service industry, the new tip reporting law arouses a feeling of unfairness in both employer and employee: unfair to the employer because of the recordkeeping and reporting burdens the new law thrusts upon him, even without the repugnant guesswork demanded by the allocation requirement; unfair to the employee because of the recordkeeping burdens he must carry to defend against attributions of income that he may not have received. After all, the employee may well be confronted with the difficult, if not impossible, task of proving that he didn't receive income that the law has compelled his employer to allocate or attribute to him.

In essence, the law requires an employer to assume that his tipped employees as a group have received a definite amount of money as tips. If his employees have not reported that amount to him as tip income, the law requires him to assume that they have in fact received tip income totaling eight percent of his gross receipts and to allocate to each individual employee a share of the shortfall and report that allocation on each employee's W-2 Form.

A grand assumption...

This procedure rests upon a grand assumption of unseen and unverified income. It is one thing to require an employer to report facts. It is another to require him to make unverified assumptions concerning the legal obligations of his employees.

One cannot but wonder how we got here.

In the early summer of last year, the Senate Finance Committee took a bill to the floor of the Senate. The bill was called the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA).

> **It is one thing to require an employer to report facts. It is another to require him to make unverified assumptions concerning the legal obligations of his employees.**

The procedure followed by Congress in enacting TEFRA was unusual in many respects. For example, all of the bill's provisions originated in the Senate, although tax legislation customarily originates in the House, as the Constitution requires.

After this unusual beginning and passage by the Senate, the handling of the bill retained its bizarre qualities in that no hearings were held in the House Ways and Means Committee and no debate occurred. Instead, the House simply appointed conferees to attend a conference to resolve differences which didn't exist, because the House had never considered TEFRA's proposals.

The provisions of TEFRA that were reported to the Senate by its Finance Committee included a tip reporting requirement very like the one that is now law. The NRA was opposed to this provision and sought the assistance of its members to defeat it. When this provision was being considered on the floor of the Senate, a motion to strike it was offered. That motion carried by a vote of 70 to 25. This Senate support for the NRA position was a clear tribute to the efforts of NRA members in making their concerns known to their Senators. It was a particularly noteworthy victory because it was the only successful attack on any part of the bill on the Senate floor.

Victory has short life...

The victory had a short life, however, for the Chairman of the Finance Committee then offered an amendment to the bill that cut in half the deductibility of the local business meal. This particular attack on the deductibility of the business meal was a complete surprise. It had not been the subject of hearings. No testimony by government or industry witnesses had been offered on the subject in over four years. The introduction of the amendment was challenged on a point of order that it had not been considered by the Finance Committee. The point of order was sustained. A short time later, the Committee Chairman reintroduced the business meal provision. When it was challenged again on a point of order, he stated that he had polled his committee and a majority had supported the amendment. The Senate then, at about 4:00 a.m., after an all-day and all-night session, approved the provision reducing the deductibility of the business meal.

To place in perspective what then occurred, it helps to recall that the President was at the peak of his popularity and had announced his strongest support for this bill. The House of Representatives was not disposed to develop a bill of its own and, instead, dumped the responsibility for developing the final version of this legislation on the conferees from the two Houses.

We at NRA were seriously concerned about the business meal provision because its enactment would threaten the continued existence of many restaurants. On balance, it appeared to us that reducing the deductibility of the business meal would seriously impair revenues in some segments of our industry to the point of business failure and reduce employment by many thousands. These conclusions were established by studies we conducted in 1978 and by the government's conclusions at that time. Added to our concern were rumors that the conferees were being urged to add a tip reporting requirement to the business meal provision, which the conference could legally do. The possibility of such multiple wounds to the industry was not a happy prospect.

NRA staves off multiple wounds to industry...

Concluding that the tip reporting schemes being considered were inappropriate, unfair and costly but did not threaten the existence of any restaurant, we entered into personal negotiations with the Senate Finance Committee, the conferees of both the Senate and House, and the White House in an effort to assure the removal of the provision limiting the deductibility of the business meal. Substitution of tip reporting was the price.

With negotiations thus underway, the American Hotel and Motel Association and the Hotel and Restaurant Employees Union (AFL-CIO) joined in our efforts to secure such a resolution.

The business executives who comprise the NRA Board of Directors believe that everyone should pay the taxes the law requires on all income. They do not, however, believe that any employee should be compelled to pay tax on income he did not receive and retain for his own use.

Needless to say, the final provisions of the legislation with the complexities of allocation, eight percent of the gross and not less than five, and determining coverage by the number of employees in the firm rather than by the number in an establishment was not part of our proposed solution. It's a bureaucrat's dream, but a citizen's nightmare. But this legislative engine had only one fuel—tax revenues. Arguments of fairness and practicality of burdens on the employer and employee were met by claims that any other procedures would not produce the revenues claimed to be essential by the bill's supporters.

That's how we got into this mess.

We have presented over 100 seminars in 44 states in an effort to inform the industry of what the law demands. At the same time, we have learned a great deal about the problems created for the restaurateur and his employees.

Allocation smacks of vigilante enforcement...

We know that the process of allocation required in the law is an entirely new concept of enforcement unsupported by the rest of the Tax Code or by any other provision of law. The law imposing taxes upon individual income is based upon reliable evidence of how much income the individual received, *not* on an estimated proportionate share of some aggregate number derived from a percentage of gross receipts of his employer. The income tax liability of the individual is based upon receipt of income by the individual, not upon supposition, a guess, or an estimate by his employer, or his friends and relatives. It is true that the government can present evidence in a court of law resulting in a judicial conclusion that a given amount of income was received by a taxpayer. But it's an entirely different thing to require an employer or anyone other than a judicial officer to attribute income to a taxpayer, without personal knowledge that the income was received and in what amount. It is foreign to all our concepts of justice and fairness. It smacks of vigilante enforcement of the law.

Supporters of the allocation procedure contend it is not an imputation of income. If it isn't income, how can it be expected to produce any tax revenue?

The business executives who comprise the NRA Board of Directors believe that everyone should pay the taxes the law requires on all income. They do not, however, believe that any employee should be compelled to pay tax on income he did not receive and retain for his own use.

NRA supports appropriate amendments...

We believe appropriate amendments to the law will produce the necessary relief from the burdensome and unfair provisions we have noted without any significant impairment in the government's ability to collect its taxes.

To those who believe that allocation is a bizarre new theory of tax compliance that will be applied only to the foodservice community, we suggest you think again. To a government hooked on ever-increasing doses of revenue, concepts of fairness and considerations of cost to the taxpayer are not persuasive. ☐

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An annual subscription—24 issues—to the *Information Abstracts* will be $30 for members and $60 for non-members.

For further information, contact
The National Restaurant Association
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Washington, DC 20001
(800) 424-5156 or (202) 638-6100.

THE BOARD ROOM

NAFEM honors NRA President Joe Lee

NRA President Joe R. Lee will receive a doctorate of foodservice at the National Association of Food Equipment Manufacturers (NAFEM) Exhibit & Seminar on September 26 in Dallas, TX.

The award, conferred by NAFEM in recognition of the efforts of allied foodservice and hospitality industry associations, will be presented to President Lee and the chief elected officers of other hospitality industry associations.

Conti reveals status of fund-raising for 1984 U.S. Culinary Team

Walter Conti, owner of Conti Cross Keys Inn, Doylestown, PA, and chairman of the NRA/ACF U.S. Culinary Team Foundation, recently offered an update on fund-raising activities for the 1984 U.S. Culinary Team.

Conti announced that American Express Travel Related Services and the Foodservice Group of Kraft, Inc. have joined L.J. Minor Corporation by pledging $50,000 in support of the 1984 U.S. Culinary Team. Other hospitality industry companies contributing to the team are Ramada Inns, which has offered an in-kind contribution of hotel rooms in Frankfurt and CPC Foods of Englewood Cliffs, New Jersey, which has donated $5,000.

Commenting on the team and the initial success of the foundation's fund-raising efforts, Conti said, "The U.S. Culinary Team symbolizes everything that is best in American foodservice. We are happy that the hospitality industry is rallying in support of the team and are confident both of the ultimate success of our fund-raising goals and of a victory for the American team in Frankfurt." *—Dorothy Dee*

NRA VIPS join California wine festival

NRA President Joe R. Lee will be the keynote speaker at the 8th California Wine Festival in Monterey, CA, November 27-30, 1983. On November 26, prior to the festival opening, President Lee will be inducted into the Knights of the Vine.

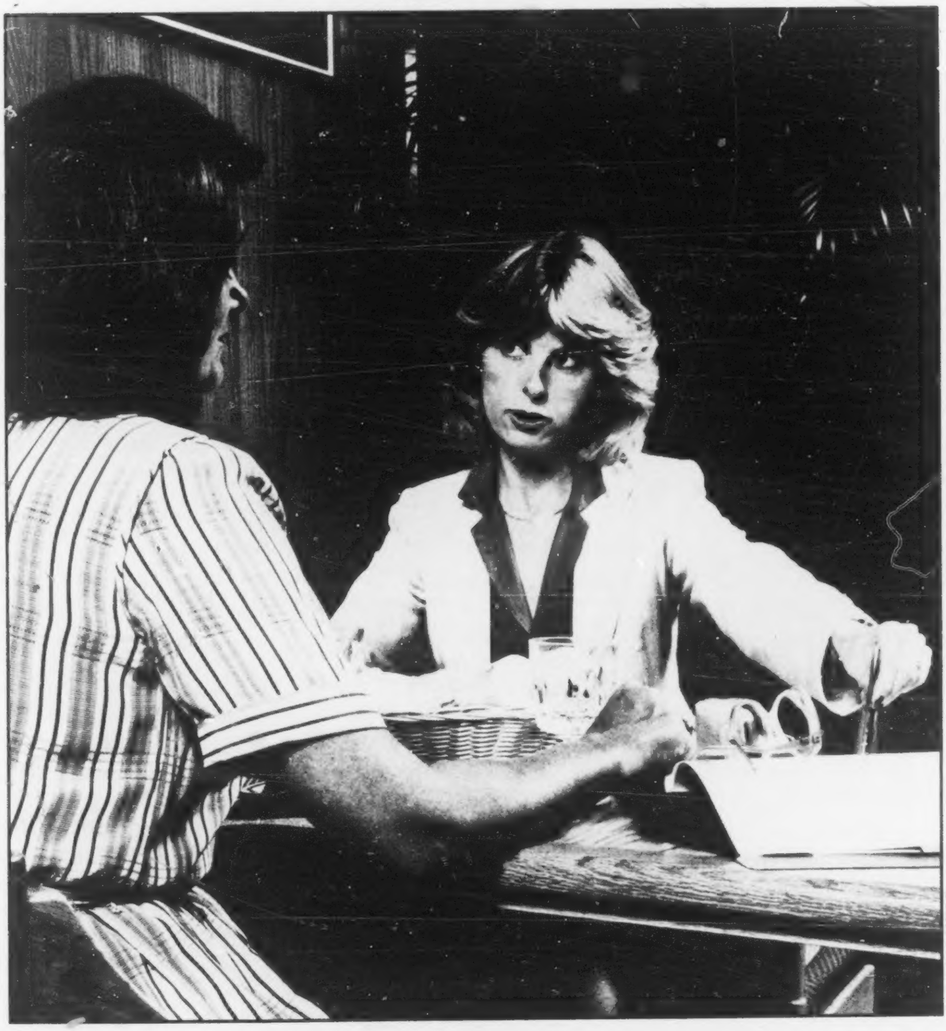
Eighty-nine California wineries representing every region of this major wine-growing state will participate in the four-day program. The festival will feature speeches and panel discussions with leading authorities from the world of food and wine. In addition to President Lee, headliners include Jean Banchet, chef/owner of Le Francais, Wheeling, IL; Mary Cunningham, vice president, Joseph E. Seagram & Sons, Inc.; actor Mel Ferrer and cookbook author and television personality Julia Child. NRA Treasurer Ted Balestreri, of the Sardine Factory, in Monterey, CA, will participate in a restaurateurs panel discussion.

In addition to informative discussions, the program will include tastings of hundreds of wines and five-course gourmet luncheons at selected sites in the Monterey area.

The cost of participating in this exciting event is $250 per person. Proceeds from the California Wine Festival will create scholarships for viticulture, enology and hotel and restaurant administration students. Interested parties should call 408/64 WINES or write P.O. Box WINE, Carmel, CA 93921.

WOOING THE WORKING WOMAN

By Elyse Cuttler



MARK BORCHELT

Many of today's women have flung off their aprons and pulled up to desks in offices across the country. But don't be fooled, today's working woman isn't one of the boys. Foodservice operators—from fast food to upscale dining—are beginning to adapt their menus, hours and service to the wants and needs of this growing market.

Pay attention restaurateurs. A change is taking place in the foodservice industry that can mean increased profits for your operation. What is this change? Larger numbers of working women.

According to Department of Labor statistics, the number of working women in the United States has risen over 95 percent in the last 20 years. Women are no longer tied by their apron strings to the kitchen. They have many meal-time options available to them; options that did not exist 10 years ago. Women have expense accounts for business breakfasts, lunches and dinners; and they travel all over the country, patronizing restaurants as well as hotel dining rooms and lounges.

According to Leonard A. Wood, vice chairman of the Gallup Organization, the increase in the number of working women will have a significant effect on the foodservice industry in the next few years. Sixty percent of women are predicted to be in the workforce by 1990.

Women have special dining needs, which include early dining, lighter foods and smaller portions. They are sophisticated diners, patronizing all types of operations, including gourmet carryouts, tablecloth restaurants and hotel dining facilities. They are knowledgeable about the foods they want to eat, and they demand that they get what they want.

What do working women want from foodservice operations? ***NRA NEWS*** was interested in exploring the answers to this question with various operators. Here is what they had to say.

Take-out, a popular alternative. . .

Operators have seen a definite increase in the number of working women purchasing take-out food. One place that does a brisk take-out business is The Mill Acres Restaurant in Wymossing, PA. According to Manager Sandy Whitman, "many of our customers are women who are tired after working all day and do not have the time or desire to cook. We can give them the convenience and the choice of not cooking without feeling guilty." The restaurant posts a regular schedule of foods available every day of the week. "This encourages women to call ahead or tell us when they come in for lunch to hold a certain item for them," Whitman explains.

"From what I have observed," she continues, "these women are concerned about eating nutritious meals. Therefore, we use no preservatives in anything we prepare." Dinner entrees include such items as salmon with dill sauce, baked chicken with asparagus and cheese, pasta with artichokes as well as chicken salad with walnuts and broccoli. In addition, pizza, yogurt, a variety of mixed salads and a full selection of sandwiches are always available.

Across the country, in San Francisco, CA, another gourmet take-out and cafe restaurant is also receiving a lot of attention from working women. According to Carlo Middione, owner of Vivande, the majority of customers are women. "Most tell us that we can do it better than they can," he maintains, "but they are reluctant to buy a full dinner for themselves or their families. They still cook a portion of the meal at home." Most of the women who patronize Vivande buy the components of a meal such as salads, meats and savory pies.

"The women appreciate what they see. They are definitely attracted by the visual aspect of food," Middione observes. "These working women are too swamped with other things. Their families and other activities occupy a lot of their time. They don't have the energy to cook in the elaborate way that they see here."

Middione has also observed, like Whitman, that women are health conscious and like to know what is in their food. And they enjoy eating.

"A hotel will lose business if it doesn't add lighter items to the menu. Women who are out seeing clients all day might stop and buy fruit and yogurt and bring it back to their rooms if all the hotel room service menu can offer is fried foods and sandwiches."

"Women are very good eaters," he confirms. "They always clean their plates when they dine here for lunch. I hardly ever hear of anybody asking for diet foods. They want healthy foods, and that is what we provide."

Fast service is appreciated. . .

The Burger King Corporation in Miami, FL, has recently gone national with its salad bars. Although not targeted exclusively at women, the salad bar concept is used as a device to bring additional women into Burger King restaurants. Burger King is currently running ads that promote the salad bars on television and in women's magazines.

"It's definitely working and working well," maintains John Weir, public relations manager. "Some women wouldn't have come to Burger King to have a quick lunch or dinner before. But now, the salad bars and pita bread sandwich concept has given them another alternative," he says.

"And in the evenings," Weir adds, "we are seeing an increased number of women with their children stopping in to have dinner. The women eat largely from the salad bar, and the kids eat something else from the menu."

Burger King has also changed its fish sandwich. It found that women didn't purchase the fish because the bun was too large. A large bun just didn't appeal to women who don't want to eat a lot of bread. The company decided to make the bun smaller and charge less for the sandwich. The fish portion remained unchanged. "The 'Whaler' has been attracting more women ever since," Weir confides.

"What it comes down to," he says, "is that the Burger King menu has a broad variety. If a woman wants to bring her family here five nights a week, she can without feeling that someone is not getting what they want to eat."

Another operation that offers variety is Stouffers Corporation in Solon, OH. Stouffers operates four Whole Grain Restaurants in large office buildings in various cities.

According to Mike Kelly, vice president of marketing, the Whole Grain Restaurants are set up exactly like fast service operations. The menus, however, offer a variety of light selections as well as the more traditional hamburgers, french fries and sandwiches. They do not, however, serve whole grain products as the name suggests. "It's truly volume feeding," says Kelly. "But the menu has an extremely broad range that appeals to women working in the buildings where the restaurants are located. We do a very large lunch business." Although Kelly admits that men are also eating lighter, he adds that Stouffers caters to women more than any other segment. "We have salad bars, light dining and calories printed on the menu. We're giving them the convenience and the alternative. One thing is certain," Kelly adds, "if not for the working woman, we would all be in trouble in the restaurant industry."

Working women bring others. . .

Tim Ryan, president of Magic Pan in San Francisco, CA, agrees with Kelly that working women are important to the industry. In fact, Magic Pan believes that working women are instrumental in bringing others into the restaurant.

"We are a natural choice for the working women during lunch," Ryan states. "Our menu contains the type of items women like to eat. The food is light and not overly portioned."

When Magic Pan determined that an important percentage of its business was female—female executives taking female clients out to lunch or a group of business women going out to lunch—the restaurant decided to make the restaurant more appealing to a larger cross section of diners. "Our aim was to enable the woman executive to think of Magic Pan when she was entertaining a male client or when she was deciding where to take her husband or family for dinner," Ryan explains.

The menu selections had to be altered to accommodate these individuals. This meant adding more red meats, veal, pasta and fish on the dinner menu. "These new additions have been very acceptable to our male diners," notes Ryan. "We have seen a definite increase in the amount of women who bring in male companions for business and social dining."

This broadened business brings with it some challenges. Magic Pan had to train its staff to be sensitive to the etiquette of business dining. "Our staff knows it must never assume that the man is paying," Ryan maintains. "This is one issue we must pay close attention to. We tell our staff members to be alert to any tip-offs, like who selects the wine or who asks for the check."

Who gets the check?. . .

The Pump Room in Chicago is also paying quite a bit of attention to the working woman who uses an expense account to entertain business associates. According to restaurant manager Susan Stiles, there has been a definite increase in the amount of working women who entertain. The Pump Room is located in the Ambassador Hotel, and many of the restaurant patrons are business travelers. These business travelers are increasingly made up of women who are staying at the hotel. Stiles notes that many of the female guests take out clients during lunch and dinner, preferring to order room service at breakfast.

"It's been traditionally difficult for

> "One thing is for certain. If not for the working woman we would all be in trouble in the restaurant industry."

a woman to entertain a man," she explains. "The immediate assumption is that the man is in charge." Stiles has trained her staff to be sensitive to this problem. "We tell our personnel to observe body movements. Sometimes a man will be walking behind a woman by just a couple of steps and that will be a clue as to who is doing the entertaining," she says.

But many times it is difficult to distinguish between a social occasion and a business engagement. Stiles believes that women must become more aggressive and help out the staff. "Some women who frequently take out clients call ahead of time and let us know that they are doing the entertaining and that they want the check given to them," she states. "However," Stiles adds, "a check is never placed on any table until it is asked for. Whoever asks for the check gets it."

Hotels are responsive to women travelers. . .

Another company that is helping working women feel comfortable at their restaurants is Ramada Inns Corporation in Phoenix, AZ. Gail Brewer, director of specialty markets, has been studying the female business traveler. She has made many changes and recommendations based on interviews with women who travel for business.

"Most women who travel tend to eat their meals in the hotel. They either order room service or use the hotel dining room," says Brewer. "Many women are reluctant to leave the hotel in the evening to go to the restaurant down the street because of security reasons. Therefore, women are a wonderful market for a hotel because they will stay on the premises if the hotel can offer these guests the type of food they are looking for."

Ramada has changed both its room service and dining room menus. Selections now emphasize lighter menu items. "Men and women travelers are concerned about healthy eating. Many are calorie conscious. We focused on the women when we made these changes, but the men say they appreciate it also," she adds.

Brewer cites research findings that state that a woman's business trip, on the average, is three to four days long. "A hotel will lose business if it doesn't add lighter items to the menu," she claims. "Women who are out seeing clients all day might stop and buy fruit or yogurt and bring it back to their rooms if all the hotel room service menu can offer is fried foods and sandwiches."

Brewer has also observed that women who travel alone tend to be reluctant to eat in the hotel dining rooms because they are frequently seated near the kitchen or in the middle of the room and then ignored. One of the reasons for this treatment, according to Brewer, is that women have the reputation of being small tippers. "That is pure myth," Brewer declares.

To make women feel more welcome, Ramada puts table tents in each room, which states that a Captain's table is available for single diners. "It's a great way to meet people. We have gotten great response from this type of service," she states.

In addition Ramada trains its employees to be sensitive to women entertaining male clients. "We tell our personnel, 'When in doubt about who is paying, put the check in a neutral position,'" states Brewer.

Ramada has been receiving excellent results with its new approach. Women travelers are coming back because they know they will receive excellent service.

The future. . .

You, too, can build a loyal following of female patrons. Women are a profitable market that clearly did not exist before. If women believe that your operation can live up to their expectations of a good dining experience for themselves and their families, you are likely to see an increased amount of traffic in your establishment. Because the number of working women is increasing steadily, this is a market you will not want to pass up. ❑

Profile

ENTERPRISING WOMEN IN FOODSERVICE

OWNERS/OPERATORS

MARK BORCHELT

Suzanne Reifers is proud of Suzanne's.

Women have usually been considered head of the kitchen at home, but seldom in a restaurant. This misconception is changing. Women in foodservice are no longer allowing themselves to be confined to secondary, support roles but are becoming managers, directors, executive chefs and owners.

In 1980, for the first time, a woman was chosen as one of 12 chefs to represent the United States in a worldwide culinary competition. That woman, Lyde Buchtenkirsh, will continue to represent the U.S. as a member of the national culinary team in Frankfurt, Germany, in 1984's competition.

Earlier this year, the Culinary Institute of America reported that 25.6 percent of its students were women compared to an estimated five to six percent in 1972.

In the front lines the situation is similar. Women are making inroads into management positions and buying restaurants. As ***NRA NEWS*** found when speaking to three women who own their foodservice operations, success at the top is no different for a woman than a man.

Women at the top. . .

Suzanne Reifers, Gretchen Mathers and Pearl Hoyt are representative of the enterprising women who own restaurants. Suzanne Reifers runs Suzanne's, a catering, carry-out and 46-seat restaurant company, in Washington, DC. Gretchen Mathers is the force behind Gretchen's, Of Course, a four—soon to be be five-unit—catering, carry-out and indoor, outdoor restaurant company in Seattle, WA. Pearl Hoyt heads The Office, a family-style 125-seat restaurant in Grand Junction, CO. Although the three women have different backgrounds and different businesses, they have had similar experiences heading their operations.

Reifers was a speechwriter before she opened Suzanne's. "While I was writing speeches, I was taking cooking courses and wine classes in my free time. I started thinking: 'Why am I writing speeches if working with food is what I really want to do?' So on October 12, 1979, I made up my mind to open Suzanne's." After 13 months of organizing, Suzanne's became a reality.

Gretchen Mathers has a degree in food nutrition from Washington State University and worked for a large hotel chain for more than seven years. "The company wasn't willing to take advantage of what I had to offer so I said 'goodbye,'" Mathers says matter-of-factedly. She opened her first restaurant in November, 1979; her fifth one is scheduled to open this month.

Pearl Hoyt had been in the foodservice industry for 34 years. Right from the beginning of her career, Hoyt knew that she wanted to own a small restaurant some day. Eight years ago, The Office went on the market. She knew it was exactly what she wanted and she bought it. "I did it the hard way. I learned all the little things first, and I took it from there."

What does it take to succeed?...

When these successful women were asked what qualities are necessary to succeed in the foodservice industry, they all had ready answers.

According to Reifers, "You almost have to separate yourself from everything else. You have to determine that the restaurant is your life and live for it for at least a year or until it gets off the ground."

Mathers answered: "You've got to have background. You've got to have money. And I hate to use the term, but you've got to have guts, good old-fashioned guts."

Hoyt agrees. "A restaurant is not a plaything. It's a profession," she adds. "Depending on the demands, I work a 10 to 16-hour day. Also, you have to overcome insecurity. A lot of people don't realize that you have to be out in front of the public at all times. It takes a lot of courage. And you have to genuinely care about people. Every person you come in contact with has an individual personality, and you must recognize that."

Fighting stereotypes is hard at the beginning...

Women still have to fight the stereotypes that dictate that women aren't to be taken seriously. Reifers mentioned her bout with a supplier who kept sending inferior smoked fish. When she called to complain, her anger was construed to be funny or cute. She continued sending back the bad merchandise. When her business prospered and her account got bigger, she was finally taken seriously.

Mathers had trouble establishing credit. "I'm not sure whether it was because I was a woman or because I was a new business. Although some suppliers tried to take advantage of my situation, one supplier actually gave me bad prices. He lost our account. I don't know what kind of account we were for him, but we did go from one restaurant to four, and he lost all our business. I'll never go with him again, and he knows it."

Another problem area can be employee relations. "I've always been known as an easy touch and at first my employees and delivery people took advantage of it," laments Hoyt. "It was my own fault. I learned. I toughened up. It doesn't happen anymore."

Reifers says her half-male, half-female staff never really gave her an employee relations problem. She attributes this to her personality, which she describes as neutral—neither typically female nor typically male. "I think people perceive that I'm not going out of my way to prove that just because I'm a woman, I'm easy," she says. "That, coupled with the fact that my name is on the window, helps make for smooth employee relations."

Mathers agrees that self image is important. "I consider myself a business person, not a sweet, little vampy lady," she says.

When asked to share some of what they've learned from starting a business of their own, Reifers, Mathers and Hoyt shared these pointers.

Pointers from the pros...

- Go around to operations in your city and elsewhere to see what people have done with a concept like your own.
- Talk to people who are in business and listen to their advice.
- Try to work at a similar operation if you can before opening your own place.
- Have enough money. "There are hassels enough just trying to get a place off the ground without having the pressure of knowing that because you can't pay the bills or the taxes or both, you could go out of business no matter how good your concept is, how nice your place is or what a terrific clientele you've established," says Reifers.
- Hire people in areas where you lack expertise. "If you can't do it yourself, make sure you have good bookkeepers and accountants. You can't stay on top of things without a good system," advises Hoyt.

Mathers agrees. "I tried to do everything myself. You can't do that."

Juanita Weaver in the Office of Women's Business Ownership in the U.S. Small Business Administration (SBA) recommends that a woman considering starting her own business take stock of herself by asking such questions as

- Is my health adequate to handle the hours, the stress and the strain of heading a restaurant?
- Am I a problem solver?
- Do I get along well with people—even difficult people when I'm tired and not in the best of moods?
- Am I capable of making decisions—sometimes split-second decisions that are sure to have far-reaching ramifications?
- Where will I get the money?
- Where will I conduct my business?
- Is my type of restaurant something that will work at the location I have chosen?

Next, women should consider the resources that are available. The Small Business Administration has district offices with a representative especially geared to the woman business owner. This representative helps women with SBA programs, ensures that women get the kind of service they should from SBA, and keeps women abreast of what's going on in the community regarding women business owners. Typical information includes what courses and training programs are being offered, as well as what support organizations are available.

SBA also co-sponsors roundtables in New York, Atlanta and Chicago with a new organization called Roundtable for Women in Foodservice (RWF). ❑

—Carol Caprione

WOMEN NETWORKING IN FOODSERVICE

BY LOUISE SAUNDERS

Based on a presentation at the 1982 NRA Show

What is networking among women? I believe there are four important components that comprise this type of networking

(1) getting to know and understand your peers

(2) giving support and receiving support from other women

(3) opening up opportunities for other women in our industry, community and organizations and

(4) exchanging information which may be valuable in our jobs or in our personal lives.

Now why is networking among women in the food industry necessary today? We all know that more and more women are entering the work world—either through choice or necessity. Although women constitute at least 48 percent of the work force, they own only a fraction of America's business. Women in business have difficulty in entering markets, in obtaining commercial loans, government contracts and management assistants.

Nevertheless, increasing numbers of women are choosing to face these obstacles and start businesses on their own—many of them in the foodservice industry. Also, we know that a large percentage of employed women have chosen the foodservice industry in various jobs and various positions.

And more and more women will be joining us during the next decade. I ask you, who will speak for us? What opportunities will there be for those women to realize their ambitions? Who will open the doors for them? Who will share experiences with them? Who will discuss job related problems with them?

The same questions are applicable to the women now in or about to enter the foodservice industry—whatever position they may hold or seek. To be able to give or receive support is why networking among women in our industry is important.

Networking among women should also be across industry lines. By that I mean there should be opportunities to network with women in other segments of the world of work. For some women such an opportunity would be membership in the National Association of Women Business Owners (NAWBO).

NAWBO has 1,200 members nationally, in 18 local chapters in the United States. To qualify for membership, a woman must be a sole proprietor or partner or owner of at least five percent of the stock of a corporation—and she must be self employed or work over 1,000 hours per year in an active management position.

Membership in an organization like NAWBO gives a woman the opportunity to discuss with other women common concerns on a broader scale, such as management techniques, marketing, economic trends and opportunities for growth. There is a wealth of information among women in other industries that also would be applicable to us in the foodservice industry.

Women from across industry lines can help each other. The Women in Business Task Force for the White House Conference on Small Business, for example, achieved recognition for women in business and improved opportunities for women to enter the business world. One of the recommendations of the task force was to require private lending institutions to provide equal access to commercial credit for women in business.

I am grateful to have participated in networking, but I wish the opportunities had been made available to me earlier in my life. What we really need now is a system by which women in the foodservice industry can engage in networking among themselves. Let us share our knowledge, expertise and friendship with each other. Let us support each other in setting and achieving goals. Let us be visible. Let us be heard on important issues unique to us as a group. No one else is going to do it for us. ❑

Roundtable for Women in Foodservice

RWF is headquartered in New York City and headed by President Dianne Davis. It was founded this May to meet the specific needs of women who want to enter or advance in the foodservice industry. As a central source of information and education, RWF provides its members with technical and educational training, access to career and business opportunities, to each other and to a professionally-managed networking and support system.

RWF's first roundtable luncheon will take place later this month—September 28, 1983—at the Grand Plaza Hotel, New York, NY. The tax-deductible fee is $37.50 for members and $50 for non-members.

Additional roundtables are scheduled for October 6 at the Georgia Congress Center during the Southeastern Seaboard Hospitality Show and October 18 in Chicago during the Illinois Restaurant Association Show.

For additional information, contact President Dianne Davis at (212) 697-1361.

WOULD YOUR LADIES ROOM PLEASE YOUR MOTHER?

by Sandra Butler Whyte

MARK BORCHELT COURTESY TIBERIO RISTORANTE

One upscale restaurant in Washington, DC has made its reputation among its female customers with its sparkling bathroom that boasts roses and Channel No. 5 hand cream. While such touches are merely appreciated amenities, there are bathroom basics that should not be ignored.

"Excuse me. I'll be right back. I have to go to the ladies room." A trip to the ladies room is an integral part of every woman's dining experience. Yet very few facilities are adequate let alone attractive.

Perhaps the dilemma is one of difference in gender. The male tends to regard the entire process as functional. His average time away from the table is four minutes. For most women (and I suspect this includes more than a few ardent feminists), there are a number of things included in the visit to the ladies room. It is there that makeup is retouched, hair is brushed and combed, perfume is applied, stockings are adjusted, the figure is surveyed, thoughts are collected and plans are formulated. Elapsed time for women on the average is 8 to 10 minutes.

It would be easy to dismiss the subject of ladies rooms as frivolous. Yet attention to size, decor, general conditions and ambiance of the ladies room is indeed worthy of consideration. Simply note the growing number of working women and the managerial advancement for women in the "expense account" professions, such as real estate, banking, law, government and advertising. A recent study revealed that in 1972 less than 10 percent of women traveled in their jobs. In 1982 the figure had skyrocketed to 40 percent. Such trends speak for themselves. Add to this the fact that many people judge the cleanliness of the entire restaurant on the degree of cleanliness found in the restaurant and you have reason enough to pay attention to the ladies room.

What few things should be in the ideal ladies room? Here is a simple checklist that would please most female customers.

1. Cleanliness and frequent maintenance. These are obvious and basic necessities, but frequently are glaringly absent. It is not enough to check the ladies room prior to lunch service and perhaps once in the evening. Check at least every three hours and more frequently if traffic is particularly high.

2. Supplies, soap and towels. The ladies room should never be without an adequate and available supply of basic requirements, such as toilet paper, soap, towels, sanitary napkins and tampons. Few things are more exasperating than a restroom without toilet paper.

Surely there must be soap that doesn't smell like you are scrubbing for an operation and soap that doesn't leave hands feeling like they were in combat. Bar soaps should not be used. The liquid soaps now available are milder, more attractive and have little or no scent.

3. Hot air blowers. These should be abolished, banned or donated to a car wash.

4. Counter space. Oh, please, some counter space that is preferably separate from the sink. A counter top, dressing table even a ledge would do to hold such items as combs, brushes, hand bags and other grooming articles. There are few things more disconcerting than setting a purse on a wet sink or watching cosmetics fall into the basin.

5. Lighting. Only a woman can know the absolute sense of horror when leaving the intimate charming candlelit environment of the dining room to find overhead fluorescent lights. Panic sets in. The first thought is likely to be, "Oh my God! I can't look that bad." At the other extreme are the "one bare bulb" environments where only knowing your face by heart allows you to reapply makeup.

How about nice soft lighting around the sink or counter space? A $20 makeup mirror, which mounts on the wall, would be a wonderful addition to any ladies room.

6. Fixtures. What ever happened to plain, old, regular faucets? The faucets where cold was always on the right and marked with a capital C and hot was on the left and and marked with a capital H. Now there are electric eyes, levers you push up or is it down and water that runs for a few seconds and stops just when you are ready to rinse your hands. Progress is important; but in this case, simplicity is best.

Make sure the door latches work. It requires years of practice to be able to hold the door closed with one foot.

7. Mirrors. Use quality mirrors only. Don't try to save money here. Some mirrors are reminiscent of the fun house variety, and this is not the mirror you want. Polish mirrors daily so they are smudge-free. And be sure you have a full length mirror.

8. Air fresheners. Although odor must be eliminated, don't go overboard on air fresheners. More is not better. Many times the air fresheners are so overpowering as to be offensive. There is a limit to how much pine or lemon scent can be tolerated, especially together. Adequate ventilation often gets rid of odors.

9. Sensitivity to the handicapped. Public facilities are mandated to provide access to the mobility-impaired. There is more to it than widening the door. How about lowering the paper towels and sink and putting them at wheel chair level? It may seem like a great deal of effort and expense for a very small percent of business. But it is important, and it is good business to become more sensitive to special needs. These things are noticed, and they generate business and positive public relations.

10. Amenities. Obviously economics and the nature of the restaurant has a great influence on amenities. But, at the minimum, provide a box of tissues.

Unscented hand lotion is a much appreciated amenity. A few outstanding restaurants also have a selection of perfumes, cotton balls, static guard spray, spot remover and lint remover. Fresh cut flowers in a vase is also a lovely touch, but none of these compensate for any of the missing basics.

11. Telephones. Did you ever notice where most restaurant phones are located? They are often by the kitchen, near the men's room or in the lobby. Why not place a telephone close to the ladies room? This would make it much easier to check messages, dictate a memo, call ahead to a client, phone the babysitter or a roommate.

12. A fresh coat of paint or new wallpaper. Just to get in the spirit of things, how about a new face for the ladies room. It's not necessary to call an interior decorator, the architect or the landlord. Think in terms of natural, soft and pleasing colors. Think subtle, not harsh. If you are undecided, put samples in the ladies room and ask the customers to vote on preference. They'll love it, and you'll get some feedback and solid public relations to boot.

In closing, take a few minutes to really look at your ladies room. The best measure of its quality is the answer to one question. Would your mother be pleased with the ladies room? If you falter for even five seconds, you probably need to make some improvements. ❑

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How do you perceive time?

by William Hoffer

Benjamin Franklin defined time as the stuff of which life is made. Your individual tempo really reflects the stuff of which you are made. This simple test will help you determine what your individual tempo is.

The patrons of any restaurant are responding to an internal clock that tells them it is time to eat. What is less obvious but just as true is that the service personnel, cooks, and managers of a restaurant are also functioning in accord or discord with their own personal rhythms. Whether providing breakfast, lunch, dinner, or all-night fare, every restaurant employee will probably glance at the clock on dozens of occasions during his or her shift.

Whenever they do, they will react in a characteristic manner, one that may be quite different from those around them. And those individual differences in time perception may play a critical role in their ability or inability to relate to their co-workers and their customers.

Some people always arrive early. . .

Some people always arrive early for work; others are chronically late. Some become agitated when a fellow worker seems to take forever to make a point; others bristle when they encounter someone who talks at high speed but never seems to have time to listen. Some are in a hurry to succeed; others take pride in pacing themselves.

Few people can satisfactorily define time. Inside, we have an intuitive sense of what time means to us, but we remain largely unaware that others may have a completely different sense of time. It is this variety of individual time perceptions that often sets up needless human confrontations. By understanding your own sense of time and that of your associates, you can become more effective on the job and in other areas of life.

Mary Ann Walsh Eells, an associate professor at the University of Maryland, Baltimore, and a private practice family systems therapist, has refined a simple test that clearly depicts one's sense of time. It is based on previous studies that indicate that individuals with certain emotional tendencies have specialized concepts of time.

In a few short moments, you can discover how you perceive time. You will better understand your own lifestyle and will be able to gauge your chances for future success in the restaurant business. In addition, certain time perceptions are actually symptomatic of possible health or emotional problems.

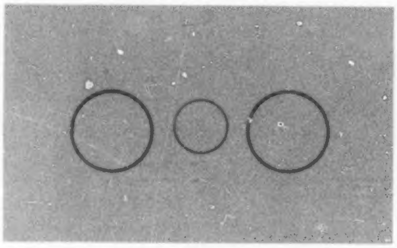
You may also wish to try the test on your family, friends, and associates. Once you have correlated your concept of time with those around you, it will be easier to blend your staff into a team that operates with optimum effectiveness.

Test your perception of time. . .

The test is simply this. Take a sheet of paper, and draw three circles that depict your past, your present, and your future. Do it right now, before reading further.

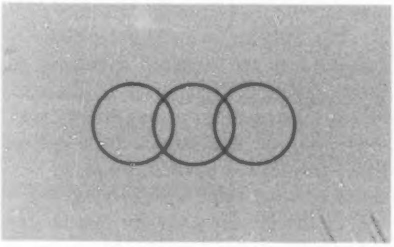
Now turn the page to determine what your circles reveal about your perception of time.

Almost everyone draws a pattern of circles that falls clearly into one of eight common categories, though a few people blend two patterns together and thus exhibit some of the qualities found in both types. You should be able to match your circles with one or more of the following types:



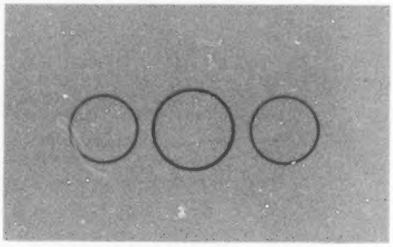
JANUS. To this person, the present is unimportant, perhaps painful. He is a busy person but usually involved with things rather than people. A manager who draws this pattern is probably highly successful in organizing a smooth-running restaurant, particularly in this age when mechanical innovations are omnipresent. He should, however, guard against a tendency to treat people with the same technological orientation.

He is optimistic about the future, intelligent, motivated, and decisive. He loves gadgets and typically will wear a digital watch featuring all the latest gimmicks, yet he is generally late for appointments. Because of his uneasiness with the present, however, the Janus type has a tendency toward alcohol abuse.



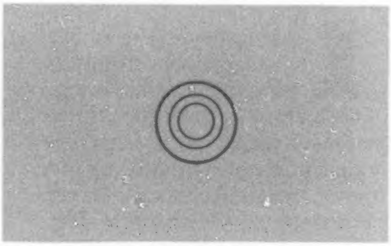
TIDAL. A quietly content person who is relatively pleased with his past, present, and future, the tidal type lives his life with a sense of continuity. He has learned how the lessons of the past relate to the present. He is steady and deliberate. He works hard and often achieves his ambitious goals. He values freedom, autonomy, and initiative.

The restaurant employee who draws the tidal pattern is probably not a flashy individual, but his chances of long-term success are good.



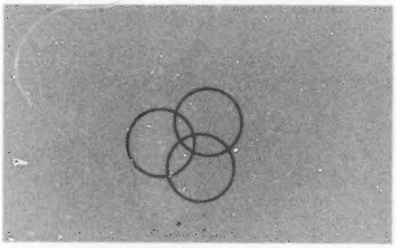
EXISTENTIAL. In many ways this person is the opposite of the Janus type. He is oriented toward people rather than objects. He is prompt and punctual. He will do well in all phases of the restaurant business where human interaction is essential, but he may have difficulty coping with new gadgets.

The person who draws the existential pattern lives most of his life in the present and may, therefore, experience difficulty visualizing long-term goals. The present is sometimes so overwhelming to him that, like the Janus type, he also exhibits a tendency toward alcohol abuse. In almost all other types, however, Janus and existential types are so opposite that they may have interpersonal difficulties unless they are aware of their opposing ideologies.



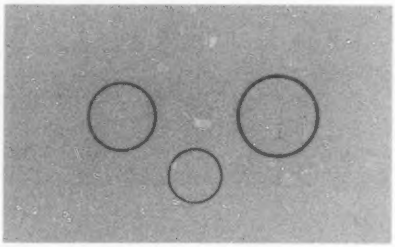
EXPLOSIVE. Charismatic and full of energy, this person does all of his living in the here and now. The person who draws the explosive pattern is probably a dynamo who is in constant motion, but the very speed of his actions may promote mistakes and difficulties in human relations. He talks incessantly but is often too busy to listen to others. He tends not to respect another person's space or time.

The explosive type may often seem to be successful because of the sheer force of his personality, but he is, quite literally, a time bomb. This impulsive, internally angry individual is a prime candidate for high blood pressure.



MEDALLION. A balanced, imaginative individual who always seems to see all sides of the question, the medallion type is the most rare of all patterns to draw in the circles test. He may be even more scarce among management than among the general public because although he is quite capable of creating a successful career, such achievement may be unimportant to him.

Family and friends are likely to take exaggerated precedence over job considerations. A subordinate job may be perfect, however, because the medallion type is not judgmental and is capable of getting along well with almost anyone.



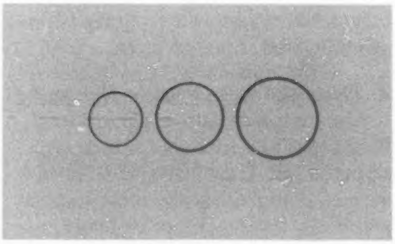
RANDOM. This person has no sense of identity and is not moving his life in any particular direction. In short, he doesn't have it together. He lives a chaotic life and probably suffers from a deep inner problem. The individual who draws it is most assuredly not career oriented.

Be aware, though, that the random pattern sometimes shows up temporarily, drawn by people who are in the process of changing their time orientation from one category to another.

One more management tool. . .

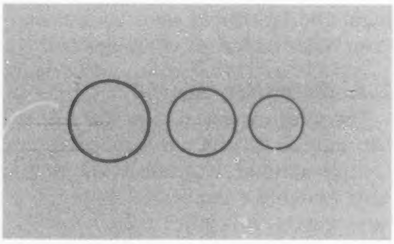
Each second that ticks off the clock denotes the passage of a portion of your allotted time. This realization may cause the explosive personality to crowd each moment with activity in order not to squander his or her personal resources. Yet the same realization may cause the existentialist or medallion personality to slow down and savor time. The Janus type does not want to think about the present and will hustle his or her thoughts into the future. The futurist finds a middle ground, steadily progressing toward ultimate goals.

It is essential for an effective restaurant manager to gain an appreciation for others' points of view. You may wish to assign certain tasks on the basis of the time perceptions of others, saving for yourself those assignments that fit your inner metronome. Team assignments can also be planned to mesh the efforts of employees with compatible time perceptions.



FUTURISTIC. About 65 percent of all people depict a steadily expanding sense of time. Such a person is in the mainstream of life, a solid and capable, if somewhat average, citizen. A person who draws a futuristic circle pattern probably does not worry unduly about past mistakes and injustices.

He is aware that he is living in the present and that today is important, but he nevertheless plans carefully for the future. He gets along well with almost everyone. He is less spectacular than some of his peers, but likely to compile a normal, if modest, career record. In short, he is probably a competent and conscientious worker, a steady asset to any restaurant staff.



PESSIMISTIC. As is obvious from his drawing, the future holds little promise for this individual. This is the most dangerous of all time perceptions. The person who draws a pessimistic pattern may be severely depressed and even suicidal. He feels as though he has nothing to look forward to.

Anyone who exhibits a pessimistic time pattern should strongly consider getting professional help. He must change his perception of time to one that will give him a more optimistic view of life.

An awareness of the time perceptions of a restaurant staff is one more management tool that can increase efficiency and decrease tension. It can also help you learn more about yourself. ❑

WHAT MAKES A GREAT WAITER GREAT?

by Patrick Jameson

"Good waiters are a dying breed because few receive the proper training," laments Gerard Gaudino, chef-owner of Alouette, West Hollywood, CA. Most waiters and waitresses learn on the job. Some skills and rules of service are learned at one restaurant; others are learned at another. Too often the result is a very confused picture of what good service really is.

Of course, there are restaurants that do an admirable job at training waiters. Steak and Ale restaurants are one good example. And there is a solution being attempted in Los Angeles, CA, by Gary Penn who founded the Professional Waiters School. However, there are few such schools. For the most part, owners and managers must fill in the gaps themselves. Based on conversations with restaurant owners and maitre d's, here is a 10-point checklist you can use to help your wait staff become great waiters and waitresses.

1. Does the waiter behave like a professional?

The first point to get across is that becoming a great waiter is largely a matter of choice. It is the individual who decides whether to give the job his best shot. "The attitude is key," maintains Gerard Gaudino. "If you like the job, you will do well. If you do it just for the money, it shows," he says.

A professional waiter is punctual, reliable, polite and helpful to all the staff and customers. He is well-groomed and presents himself in a straightforward, upright manner. These qualities are often lacking in employees who think of waiting as a part-time or short-term occupation.

It would do well to impress upon such people that being a professional is a character trait that carries over to whatever they will do in the future. A waiter who shows up late at your restaurant will probably show up late for some other important occasion.

2. Is the waiter cheerful?

The most important thing the waiter can bring to the table is a cheerful, positive attitude. It is infectious. It turns grumblers and rushers into gracious guests. It inspires fellow employees and helps overcome the hardships of long hours, late nights and sometimes troublesome working conditions. It allows the waiter to laugh at himself and learn from his mistakes. "A great waiter takes care of people with warmth and affection," concludes Michael "Buzzy" O'Keefe, owner of the River Cafe and the Water Club in New York City.

3. Is the waiter a host?

A great waiter is like the captain of a ship about to take people on an evening cruise. He inspires them with confidence, calm and the feeling that something special is going to happen. "Great waiters have a magical way of making people feel welcome and at ease," observes Don Carlson, maitre d' of the Four Ways restaurant in Washington, DC. Even before they say "good evening" they exude an air of confidence, warmth and charm.

"The waiter should guide the customer through the meal," counsels Gary Penn of the Professional Waiters School. He should be sensitive to their needs, education and financial status without making them feel embarrassed. He must be able to quickly determine what people are interested in and then find it on the menu.

4. Does the waiter know the menu?

A great waiter knows his product. He knows how food and sauces are prepared. He knows how to select a wine to complement the meal and stay within the customer's price range. Knowing the product makes a dramatic difference at the table. It is easy to tell those waiters who know the menu from those who don't.

It is important to foster curiosity and learning at your restaurant. The worst thing to see is a waiter making up an answer to a question at a table because he feels too embarrassed to ask the manager.

5. Does the waiter know how to serve people?

Obviously, knowing how to serve people is important. Excellent service is based on common sense, politeness, efficiency and consistency. This foundation is more important than knowing dozens of rules because it makes good service natural and sensible and helps the waiter respond correctly to a new situation.

Waiters sometimes have trouble matching the style of the restaurant with their personality. One source of this difficulty is the difference in the rules of service from one restaurant to the next.* The way to bridge the gap is to impress upon your wait staff the logic of your restaurant's system of service and then allow just enough leeway for them to inject their own personality.

6. Does the waiter get along with people?

Waiting is basically a people job. The waiter has to get along with your customers and the rest of the staff. There is too much pressure for someone who does not like people. On a busy night, 20 or more people fill a station two or three times, each demanding and paying for service and attention. There are also the demands of the chef, the bartender, the maitre d', the manager, the busboy and the rest of the staff. Not only must a waiter respond to these demands but he also must do so with a smile in the face of someone's impatience or anger. If the waiter doesn't really like people and want to serve them, then under pressure he will resist and criticize their requests. Hostility, even if unexpressed, makes people feel badly and undermines efforts to make customers happy.

A waiter must be encouraged to look out for the other guy. He must keep the customer informed of any change in the menu, delay or any problem that arises. He must keep his co-workers informed of anything that may affect their work. Forgetting to tell a busboy, for example, that a party wishes to take the rest of its birthday cake home could lead to an embarrassing situation.

7. Does the waiter focus on the job?

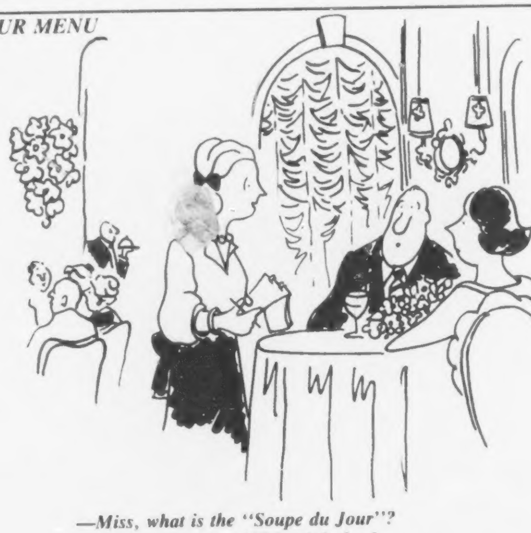
Most on-the-job difficulties arise from lack of focus on the job. The waiter may be upset, bored or preoccupied. It is up to you to encourage self discipline, as great waiters are made, not born.

"No amount of talent replaces experience," maintains Don Carlson. "Discipline, or prolonged focus, is the key to learning from experience. Physical movements can be made graceful, the mind made attentive and able to remember many details and the emotions trained to focus on service and hospitality."

8. Does the waiter work fast without rushing?

Although a certain amount of physical coordination and quickness of mind are required to become a great waiter, good work habits are the only way to become skillful and efficient. They give the waiter a sense of calm and the appearance that everything is under control even if it's not. If the waiter panics and starts rushing around, customers notice and become uneasy. Then things go from bad to worse. A great waiter keeps his cool and keeps on working in times of trouble. He is not tempted to rush the customer to make up time because he knows this makes people feel indignant.

KNOW YOUR MENU



—Miss, what is the "Soupe du Jour"?
—I'm not sure, but I'll be right back . . .
Sir, the "Soupe du Jour" is "Soup of the Day."

9. Is the waiter organized?

Waiting on tables requires a seemingly endless series of details. The only way to get them all done is to be organized. Being organized means thinking with one's head, not one's feet. Every wasted trip, every forgotten item wastes precious time. A great waiter is on top of things because he thinks through his priorities constantly and organizes the order of details to maximum efficiency. This is why he can take a few moments with a customer, even on the busiest night, and establish a rapport without losing his hold on the situation.

10. Does the waiter use diplomacy?

On a busy night, if the waiter does everything one customer wants right away, he will neglect his other tables. It is preferable to make one party wait a moment for a cocktail for example, than to make another table wait for its dinner. The great waiter can make everyone feel they are being cared for, if he acknowledges requests, nods and reassures his tables that they are being taken care of as quickly as possible.

When parties are being seated, the waiter must proceed with a sense of strategy. He cannot allow everyone to order at the same time any more than he can pick up everyone's food at the same time. One table will wait an extra five minutes for menus, while another will be served as quickly as possible.

In order to pace each table correctly, the waiter must intuit who wishes to take their time and who wishes to eat quickly. A great waiter anticipates needs. He knows right away how to relate to different kinds of people. He can feel when people need to be left alone and when something needs to be said.

In short, what makes a great waiter great is hard work, a cheerful, caring attitude and the experience that allows him to respond to every situation with dignity, equanimity and warmth. ❑

***Editor's Note:** *NRA has embarked on The Hospitality Project, which is attempting to standardize the criteria for excellent service. This seminar can complement your own efforts at training and orientation. As a further help, NRA's publication* **The First Day** *presents an orientation checklist that is designed to start your employees on the road to greatness.*

PRICING FOR YOUR TARGET MARKET

by Aaron Donatello

The term elasticity index refers to changes in customer demand that are due to changes in the selling price. Some markets have a greater elasticity index than others, meaning the customers in one market may be more sensitive to prices than those in another. Because local markets can shift and change, the savvy restaurateur periodically asks, "who are my customers?" to ensure that his target market is still there.

There are several ways to discover your target market and how price sensitive your constituents are. Questionnaires and comment cards are common methods of finding out how often customers frequent your restaurant, how far they travel to get there and why they come. If the answer to the last question turns up "price" repeatedly, chances are you have a price sensitive market.

When you test the elasticity of your menu prices, you must do this delicately so you don't damage your reputation. By raising or lowering the price of a specific menu item and monitoring changes in its demand, you can get some idea about the price sensitivity of your customer group. If raising the price results in decreased demand, you have a price sensitive crowd. If you lower the prices and demand increases, the same can be said. If you raise your prices and demand increases, there is a possibility you have a non-price sensitive market. You should repeat these tests several times before making decisions regarding your elasticity.

The psychology of pricing...

The psychology of pricing can help you raise prices successfully in a price sensitive market. For example, studies show that customers are more willing to pay $7.95 for an item than $8.00 and that raising a price from $5.95 to $6.25 is perceived as a greater increase that raising a price from $6.25 to $6.75. In addition, customers use their shopping experience as a guide. Because sirloin costs more than chicken in a supermarket, they expect to pay more for sirloin in a restaurant.

While customers may be sensitive to prices they perceive as being too high, they may also be turned away by prices that are too low to indicate value. For example, one restaurant priced its pina coladas at $1.50. Sales were slow, and an employee suggested raising the price to $2.25. Sales soared. Customers were more comfortable paying the $2.25 as this price better matched their perceived value of the product. When people see a price that is lower than what they expect, they tend to question quality and validity. "There must be something wrong with it," is a common apprehension.

That is why pricing must be competitive. You should know what price your competitors are charging for similar products. A competitive product analysis should detail portion size, presentation style, quality and consistency of preparation and, if possible, an approximate idea of consumer demand and the share of the menu mix. (Consumer count for each item on the menu.) Of particular significance would be those items considered signature products (house specialties) and "snob appeal" items (high-ticket items for the special occasion dinner). Signature products have no competitive comparison while snob appeal items are aimed at the "high price-means better-quality" buyers who want to pay more while celebrating.

Such a competitive product analysis for each menu item can result in a price range of accepted value. The competition will show what the upper end of the price range can be, and the lower end will be dictated by your operating costs.

How to change prices...

Changing prices is not as straightforward as it might seem. Here are some pointers to keep in mind.

Obviously too rapid or too large a price rise may lead to demand decreases or customer rejection. Timing is crucial. Some operators prefer to increase the prices annually in anticipation of inflation. They reason that customers will be better able to take increases in stride when there is an overall increase in the consumer price index (CPI). Other operators suggest limiting menu price increases in two to five-percent jumps, keeping prices stable through four to six guest visits. In price sensitive markets, it is often more desirable to make two smaller increases than to make one large increase.

If a restaurant has a great frequency of repeat business, price increases will probably not go unnoticed. Management should then implement increases during slower volume periods. Other strategic facts to consider include the following.

1. Hold off on increasing a popular item's price once it has reached the top end of its present dollar range, such as $5.95, $6.95, $7.95 and so forth. If possible, compensate by increasing other items from $5.25 to $5.95, $6.45 to $6.95 and so forth. Changing the dollar figure is highly visible and should be avoided. Some operators use the uncommon terminal digits (one, two, three, four, six, seven) to make it harder for customers to compare new and old prices.

2. Do not coincide price increases with changes in the menu format. Customer awareness is particularly high at this time. One operator used this fact to his advantage by posting a notice that proclaimed, "We're proud to present a new menu with our old prices."

3. The number of items to be increased may depend on the frequency of increases. If a restaurant increases its costs annually, an across-the-board menu increase can take place. When implementing two smaller increases, it may be more palatable to change only some or half the items each time.

4. Menu formats often dictate the expense and ease of price changing. Naturally, blackboards and handwritten menus present the easiest format for change. If you use printed menus, a supply of unpriced copies should be kept by the printer. Printers can then update the menu with relatively little notice. Some operations use the printed unpriced menus with handwritten prices for ease in price changing.

5. Operations with major seasonal volume fluctuations should price products to reflect demand. An easily changeable menu format does well in seasonal operations. After considering the competition, changes in raw food costs from off to on season and local market elasticity, restaurants should increase prices enough to offset the lull during slow periods. For example, abalone in southern California sells at much higher prices during the tourist season than off season.

6. Items with varying seasonal availability are best left unpriced on menus to be quoted daily. Here, as in pricing specials, the elasticity of the customer market should be tested to determine which price draws the most sales.

7. New menu items—or specials—should fall within the price suggested by the menu and should reflect an average profit margin. You can change the prices of specials frequently, if necessary, to determine which price creates the most sales.

8. Never cover or write over old prices as this is unsightly and, once again, draws attention to the price increase.

9. The wine list should reflect the menu price range. Consumers generally spend the same for a bottle of wine as they will for an entree. Everyone has seen certain brands of wines in grocery stores at close to wholesale prices. When presented a wine list including these products, customers can readily see a 100 percent markup. Some restaurateurs will price the more popularly distributed wines with a smaller markup to enhance the price-value relationship in the customer's eyes.

10. Most operators take cues on liquor prices from their competition. Some establishments undercut the competition's price in an effort to gain drinking customers. Variance in quality of a beer or a high ball from one establishment to the next is minimal, hence the competitive pricing approach. When it becomes more profitable to sell food than liquor, it is time to raise drink prices.

Monitoring price changes...

Once an increase has been implemented, you should track customer demand by watching closely the customer count for each price-increased menu item and compare it to the menu mix. In this way you will know whether your price increases have resulted in lost business or whether they are within an acceptable range for your target market. ❑

Four Strategic Menu Categories

The keys to overall profitability lie in each menu item's popularity and profitability. According to Donald I. Smith and Michael L. Kasavana, both of Michigan State University, there are four categories of menu items.*

1. Stars—profitable and popular items

2. Puzzles—profitable and unpopular items

3. Plowhorses—unprofitable and popular items

4. Dogs—unprofitable and unpopular items

Profitable items are those where the selling price's increase over the direct product cost is greater than the average for that restaurant.

Categorizing popularity is somewhat more complex. If each menu item got an equal share of the menu mix, an average would be easy to establish. For example, on a 10-item menu an average share would be 10 percent and on a 20-item menu it would five percent. Smith and Kasavona suggest that experience has demonstrated that 70 percent of the average is a more realistic measure for establishing high-low popularity in relationships. A 10-item menu will therefore point to a seven percent expected popularity rate as an average.

$$\text{Popularity rate} = \frac{100\%}{\text{\# of menu items}} \times 70\%$$

How popular and how profitable each menu item is will dictate some of the strategy of pricing.

Dealing with stars...

- Monitor quality and presentation to insure high standards.
- Maintain high visibility on menu.
- Test for elasticity by increasing prices of highest priced item.

Dealing with plowhorses...

- Test for elasticity by carefully raising prices.
- Relocate items to low profile position on menu.
- Hold the price as long as possible on plowhorses that are signature items.
- Combine the unprofitable item with a lower cost product, such as steak with chicken.
- Consider portion reduction.
- Replace an unprofitable item with a similar item, and give it a new name with a higher price.

Dealing with puzzles...

- Take off the menu.
- Reposition for increased visibility.
- Decrease price.
- Rename.
- Merchandise the item through methods other than the menu, such as suggestive selling, making it a house specialty, or presentations on table tents.

Dealing with dogs...

- Take off menu.
- Raise price or lower product costs through portion reduction.

*Excerpted from *Menu Engineering* by Donald I. Smith and Michael L. Kasavana.

OLDER PATRONS CAN BE LOYAL CUSTOMERS

by Carol Caprione

In 1776, every 50th American was over 65 years old. In 1900, every 25th American reached that age. In 1980, every ninth American reached the 65-year-old milestone. By the year 2,000, 25 percent of the U.S. population will be over 60. What can operators do for this fastly expanding consumer force, which is growing at a rate twice that of the general population? Here are some insights.

On September 11, restaurateurs all over the country will be helping grandparents celebrate their special day. Although Grandparents Day could eventually give Mothers Day—the biggest traffic day of the year—a run for its money, that is not the only time to bring out the red carpet for seniors. By catering to senior citizen traffic in their establishments, operators could realize increased profits the rest of the year.

Here are some reasons why.

1. There are more seniors than ever before, and this segment is growing at a rate twice that of the overall population.

2. Senior citizens are very loyal and constant customers. If they are made to feel welcome, they do return.

3. The extra business senior citizens bring often increases staff morale.

4. Catering to the senior market can produce steady business in the slack periods of 10:00 to 11:00 a.m., 1:30 to 3:30 p.m. and 4:00 to 6:00 p.m., which is when many of them like to dine.

Something special goes a long way...

Some operators already have programs in place to make older Americans feel welcome. According to two buffet chains—International King's Table, an 81-unit chain headquartered in Eugene, OR, and Royale International Corporation, a nine-unit chain headquartered in Louisville, KY—older Americans particularly appreciate discounts, special foods, cleanliness, friendly service and non-smoking sections.

Both chains report great success with discount programs. At International King's Table anyone over 60 is eligible to purchase a discount card for $1.00. This card, good for one year, entitles the holder to a 40 to 50 cents discount on lunch and dinner and an additional 60 to 70 cent discount on Monday night dinners. Also, members receive bonus coupons four days a month for an additional discount of 50 to 75 cents.

At Royale International Corporation, eligibility for participation in senior dining begins at age 55. The discount here is a flat price of 50 cents off the regular lunch and dinner price.

Frank Murray, director of marketing for International King's Table, reports that senior traffic has helped reverse declining customer counts. "We've had some kind of senior discount program in effect for more than a decade. But when we increased the thrust three years ago, we saw unprecedented growth in all areas. Word gets around. Crowds attract other crowds, and foods on the buffet line can be maintained much more effectively because of fast turnover," he maintains.

M. Loraine Cauble, president of Royale International, says that patrons over the age of 55 make up 33 to 35 percent of Royale's customer count. These customers are very loyal. "All of us resist change to a degree, but older people really don't like it. So if you can win their friendship, they're your customers from then on," says Cauble.

Another reason to capture the older market is that senior citizens are very constant customers. "The industry seems to have a cycle that goes with payrolls—the first of the month is always up and the middle of the month is always up, but that's not true of retired people. Their business is continuous," reports Cauble.

Both chains pay attention to the needs and wants of their older patrons. Friendly atmosphere is a top priority. "Many of our older customers have lost a husband or wife and they want to be recognized. Even though we're not a service-type restaurant, we make sure they know we appreciate their patronage and that we want to serve them," says Cauble.

Among their services are non-smoking sections. King's Table International has a senior center bulletin board that lists all the specials for seniors and gives them a place to post their own ads. "This does a lot to make seniors feel special," says Murray.

Diet is very important to older Americans. . .

Lawrence's Restaurant in Pittsburgh, PA has a large clientele of older Americans. About 75 percent of its customers are over 55 because the restaurant is in a building that houses an apartment complex for the elderly. Although owner/chef Larry Brudy doesn't offer discounts on the $15 to $20 lunches and $25 dinners, he does cater to the dietary wants of older customers. Many seniors, Brudy finds, like lighter fare. "We serve a lot of seafood and veal dishes that use fresh juices instead of wine or butter in cooking. We steam the vegetables instead of sauteeing them in butter. We have plenty of salads and a lot of fresh fruits. And we'll always prepare a meal a special way if someone requests it," explains Brudy.

Both Cauble and Murray agree that lighter foods have strong senior appeal. Their menus include a wide selection of vegetables and such highly digestible foods as baked fish and lean meats. The food is not overly salted or heavily seasoned.

Cauble adds that senior citizens are the "biggest dessert lovers in the world." Because older patrons seem to be especially fond of ice cream, both chains cater to this preference. Royal International has a self-serve ice cream machine. International King's Table offers a make-your-own-sundae bar.

Fast food establishments, which have traditionally catered to the youth market, are also beginning to realize the value of cultivating the older segment of the population.

According to John Weir, manager of public relations for Burger King Corp., Burger King has made a conscious decision to appeal to the older, more sophisticated market.

For example, Burger King has introduced such new menu items as pita salad and the Whopper, Jr. Pita salad is pita bread that can be filled with salad. It sells for either $.99 or $1.09, depending on the part of the country. This item is especially attractive to older people because, for a very low price, they can get a nutritious meal. The smaller version of the Whopper called the Whopper, Jr. is also very popular because it is not so filling.

Other programs at Burger King include

1. "Shape up," which emphasizes cleanliness—a very high priority to older people. "Since retired people are not in a hurry, they are more apt to notice something like paper on the floor and be bothered by it," explains Weir.

2. A dining room hostess that walks through the operation making sure everyone is having a good dining experience. If, for example, an elderly person needs someone to help him or her through the salad bar line, she's available.

3. Some of the Burger King franchises also sponsor a coffee club that offers free coffee with breakfast to members. To belong to the club, you merely prove that you are a senior citizen.

All these efforts are paying off. Burger King has boosted its senior citizen patronage: 13 percent of all customers are over 65 years old.

It's a good idea. . .

More and more Americans 65 years and over love to dine out. Although they are discriminating with their money, they are very loyal customers once you've won their patronage. As the numbers of older Americans increase, soon they will decide the success of many restaurants. It's a good idea to start catering to their needs. ❑

10 ways to win the loyalty of your older customers

1. Offer smaller portions with a smaller price, but never make the mistake of linking a children's menu and a senior citizens' menu together. This can insult your older patrons.

2. Offer lighter fare, such as fresh vegetables and lean meats without heavy sauces or seasonings.

3. Be willing to prepare a meal a special way to accommodate specific dietary needs or to suggest a meal that would fit those needs.

4. Pay extra special attention to cleanliness. This is a high priority of senior citizens.

5. Print some menus in a large-point size for easier reading.

6. Offer decaffeinated coffee.

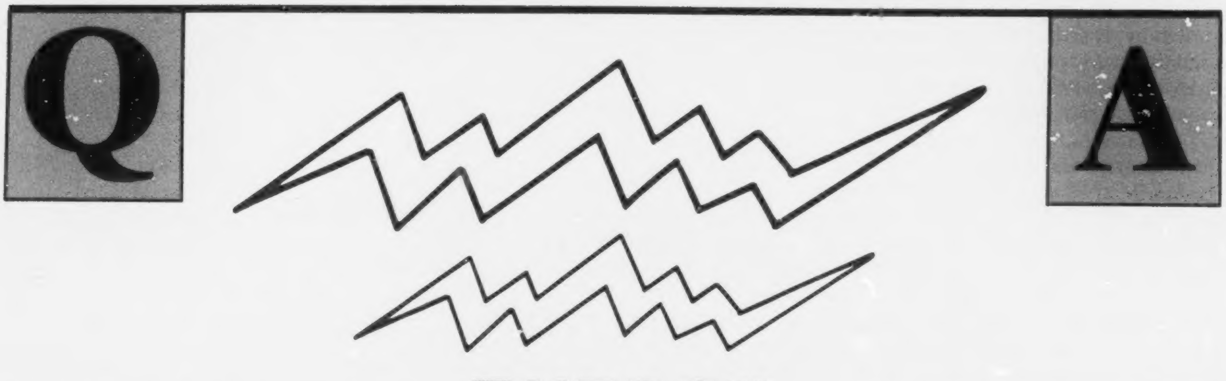
7. Consider designating a non-smoking area. Some older people have breathing problems and need to be away from smoke.

8. Consider hiring someone to make senior citizens feel welcome. This person can help them walk to their seats, answer questions and make them feel cared for.

9. Offer ice cream desserts. Ice cream is a big favorite with senior citizens.

10. Consider special amenities, like a senior citizens bulletin board or discounts during slow periods.

TECHNICAL SERVICES



ENERGY

Some months ago a group of restaurateurs from the District of Columbia and Virginia met with energy experts from NRA's Multi-Unit Architects, Engineers and Construction Officers study group (MAECO) to participate in an energy forum. Here are a few questions and answers from that meeting.

Participating from MAECO as respondents were:

- Carroll Johnson (CJ), vice president, engineering and construction, Friendly Ice Cream Corp., Wilbraham, MA. (moderator)
- Bob Keagy (BK), energy program director, S & A Corp., Dallas, TX.
- Bryce Norwood (BN), director of design and engineering, Friendly Ice Cream Corp., Wilbraham, MA.
- Jack Sly (JS), director of energy and management, Marriott Corp., Washington, D.C.
- Bruce Tatusko (BT), director of energy management and maintenance administration, Host International, Santa Monica, CA.

Q: A lot of people in the restaurant business say they don't know where to start conserving energy. What's the one thing that the operator can do?

BN: You've got to know exactly how your restaurant operates—not how you think it operates but how it really operates—by timing things and by being there at different hours.

BT: I found it very successful to organize employees. "Turn it off" was the basic theme. If you don't do the obvious simple things before you get into equipment changeouts, esoteric heat recovery systems or whatever, your conservation efforts won't work.

BK: Get your people to really understand what the equipment is, what it does and how long it takes to warm up. Don't come in the first thing in the morning and turn your equipment on if you're not going to be serving food for three more hours. If it only takes 15 minutes to heat a grill, turn it on 15 minutes ahead of time.

> ***If you're trying to use a piece of equipment to save energy, you have to know when it is not working properly.***

Perform an audit. Probably one of the most inexpensive ways to do this is to contact the local utility. They all have a customer service department, and many times they perform an audit for free. They will look at everything. They examine the building envelope. They look at your equipment. They check your maintenance schedule. And they give you a fairly general report. There are also a lot of professional consultants that for a fee between $200 and $1,500 will come in and audit your restaurant. The more you pay, the more specific the recommendations will be.

Q: What consumes the most energy in a restaurant?

CJ: The building takes between 70 to 80 percent. The restaurant takes the rest. Breaking it down further, approximately 30 percent of your energy is ventilation, 10 percent is heating, five percent is cooling, 15 percent is hot water or dishwashing, 15 percent is lighting and then all the remaining 25 percent is in the cooking area, which includes such things as refrigeration, the grill and the coffee maker.

BK: Our studies show that lighting in our restaurant averages about 10 percent of the total utility bill. Depending on the climate zone, what we classify as comfort heating/air conditioning runs between 30 and 40 percent of the utility bill. The rest—50 percent—is used in the kitchen. That's where you have to take a look at turning the equipment on and off as needed.

BT: Based on several recent experiences of mine, I'd say domestic hot water is a very large waster. We use considerably more hot water than I ever dreamed possible in our restaurants. In our case we are supposed to use roughly 150 gallons of hot water per hour. We've been using 3,000 gallons of water a day, and I don't know where it's going.

JS: The major areas of waste we find are lighting, heat lamps, running too much hot water and the building's temperature control. For example, waste occurs when you use higher wattage bulbs than necessary or the wrong type of bulb for a job, leave heat lamps on all the time and do not turn off the air conditioner or heat pump during the night.

BN: I think the biggest wasters are your employees. The greatest single waste is having things on that you do not have to use. Nothing consumes energy if it's turned off.

Q: Is there a way to use degree days as a guideline for comparing energy consumption from year to year?

BT: We did a fairly sophisticated study at one time on that exact question. We found that the weather was not as significant a determining factor in energy consumption as we had assumed it was.

BN: Let me give you another opinion. If you take the spring months and the fall months, which are typically no heating/no cooling months, and establish those as your base line months, then you can look at the winter and summer deviations from them. But you must keep in mind that the degree day base is 65, which is fine for a residence but it is not accurate in a restaurant. Most restaurants will probably start heating at a much lower point, maybe in the area of 55 degrees. So if you wish to use degree days, you should develop your own degree day index starting at base 55 or whatever it is for your restaurant. Then you'll be a lot closer to relating your utility bills to your own degree days.

Q: How can you tell how much you are really saving if you don't have a building you use as a control?

BT: Basically you must compare the energy costs of any building this year to a previous year. You cannot compare building A to building B, even if it looks identical with the same set of plans. I used to work for Holiday Inns. We had a set of plans for the same building we used in different cities, but circumstances were different even within the same city. So you see, you can't have a comparable building. All you can have is the same building that you measure one year against another and then factor in the degree days and how weather affected your performance. The only ideal way to do that is to get a sophisticated computer simulation. You're talking about a lot of expense for something that may not be documentable.

In my company we have just finished installing four heat recovery units. They are all submetered so that we know exactly how much hot water we are consuming and how much we are getting from the heat recovery system. I can then go back to our people and say, "This is what your investment is doing."

Q: What do you do to watch utilities?

ENERGY MAINTENANCE

25 WAYS TO SAVE ENERGY

General

1. Tighten all screws in electrical wiring connections, such as on plugs, appliances, panels, junction boxes, final connections, and so forth, to obtain maximum efficiency.

2. Calibrate all thermostats, such as those on ovens, fryers, griddles, refrigerators, dishwashers and so forth. (Call in a qualified utility company service representative.)

3. Establish a cleaning and maintenance program or schedule.

Ovens

4. Adjust pilot light to lowest possible flame. (Call in a qualified utility company service representative.)

5. Check for tight fit of oven doors; adjust door hinges, gasket and molding.

6. Check to ensure ovens and oven racks are level.

Ranges and Fryers

7. Clean and adjust gas burners and pilot lights.

Griddle

8. Adjust pilot light to lowest possible flame. (Call in a qualified utility company service representative.)

Broilers

9. Clean and adjust pilot lights.

Refrigeration

10. Replace worn or damaged compressor belts.

11. Clean fan, condenser fins and plates and blower coils.

12. Check gaskets and seals, and hinges on doors for tight fit and for leaks.

13. Defrost freezers monthly.

14. Check compressors for leaks and level of refrigerant.

15. Inspect and service all electric motors.

Dishwashing

16. Check spray nozzles, tanks and heater coils for lime deposits. Ream spray nozzles with a wire when deposits are visible.

17. Check temperature of final rinse. It should be 180° F.

18. Make sure power rinse on dishwasher is turning off automatically.

Water

19. Replace washers in dripping faucets immediately.

20. Drain and flush hot water tanks every six months.

Heating, Ventilation, Air Conditioning (HVAC) System

21. Turn off heating and cooling in seldom-used spaces unless there is danger of freeze damage.

22. Remove any obstructions from heating and cooling vents.

23. Replace caulking and weather stripping around doors, windows and ventilating units to close cracks.

24. Clean or replace, if necessary, all filters in exhaust hoods and HVAC system.

25. Inspect all heating and cooling air ducts and exhaust hoods for cleanliness, proper insulation and leaks.

Editor's note: *For further information, consult NRA's brochure "Squeeze Energy--Waste Not, Want Not" (PB 339). It is available from NRA's Washington office at 311 First Street, N.W., Washington, DC 20001. Purchase price: $1.*

JS: We have an individual who tracks utility records. This person compares this year's and last year's kilowatt hours, dollars and demand for each shop so we can compare actual trends. When there is a deviation from the norm, we try to find out what the problem is. Nine times out of 10 the problem has nothing to do with maintenance. Many times it is a change in the operation, such as introducing new menu items that require additional equipment.

BK: We do two things. We too have a national contract with one of the utility services companies to review all our bills. They look for billing errors. They compare our bills to other businesses in the area to see that we're getting the best rate for our type of services. We also have a computer tracking system that works through accounts payable. When we pay the bills, someone key punches the information into a computer so we can compare each of our restaurants by climate zone and by prototype—whether it's all gas, all electric or gas and electric. If, for example, there is a substantial variance—say 25 percent—from one year to the next, we review the situation. Sometimes we find billing errors or we discover that our power went off or that a restaurant was shut down for a day or two. These two systems have proven to be fairly good.

We have a unique situation in Texas where a number of our restaurants are located. If more than 50 percent of the gas goes into processing, you may deduct the sales tax. There are several states that have a comparable structure. We are doing some very extensive studies to see if we can do something similar with electricity.

BN: Every month we track water, gas and electric bills for every store. We record kilowatt hours, demand, gas information, water consumption as well as information about the account numbers. We have a small staff of people who review all the rates. We have shelves full of rate cards from the utility companies. We review every rate and what we are entitled to. We take the cheapest rate. We go for rebates. When rates change, we make sure they put us on the right rate. So far it's been a profit-making business. We've gotten back more money by picking up problems than we spend on extra staff.

BK: I'd like to make a point here. It's your responsibility—not the utility company's—to put you on the most advantageous rate. If there are two or three different rates which may be available to you, it's up to you to find out about them. Ask the companies for the schedule of all their rates and look at them. There may be a rate schedule that is more advantageous than the one you presently have. You could save yourself some money.

JS: Each utility company has a service supervisor for a region or district. It is his responsibility to assist you. Ask that individual what rate structures are available. The utility company will assist you in selecting the right one.

Q: I'd like to raise a question I've had on my mind a long time. I have a car that has a thermostat you set, and the car tries to maintain that temperature. All of a sudden one day I realized that both the heat and the air-conditioning were running. The car would heat up a little, and then the air-conditioning would come on. Then the heat would come on again. I'm wondering about the same sort of thing in our restaurants. Are we getting too sophisticated?

JS: I think you raised a very valid point. It does come down to understanding your building and how it works and then designing a program that fits your needs. It can be informal or it can be sophisticated automatic programming equipment. You can teach employees to do a considerable amount. If I were an owner or operator of a restaurant and I were going to be on-site a bit, I could control energy in that building. Larger chain-type organizations have a large turnover, so they have to take a little more sophisticated approach with automatic equipment that turn things on and off. You owe it to yourself to investigate control systems that fit your needs. You need advice, and today I think there are people who have been around for a while who can give it.

BN: Like it or not, the people in your operation are involved. You have to have them on your side. All the equipment comes with a bypass switch. The one thing your employees are going to learn, even if they don't learn how to program, is how to control the bypass switch. If you put in one of those devices, you have to tell them how to run the bypass switch. If you don't and a bus shows up full of customers just when things are set to go down, they won't be able to respond to the situation.

BK: People can control or not control everything in that building, and there's a lot of equipment that you cannot control with automatic means. If you have an energy management system, it only controls a small percentage of what you are using, only 20 or 30 percent. All your cooking equipment is not going to be controlled automatically, and that's what you have to control. People are the best controllers, and I have had a lot of experience trying to set up people systems. They really work.

Q: What about the complexity of the systems we are putting in?

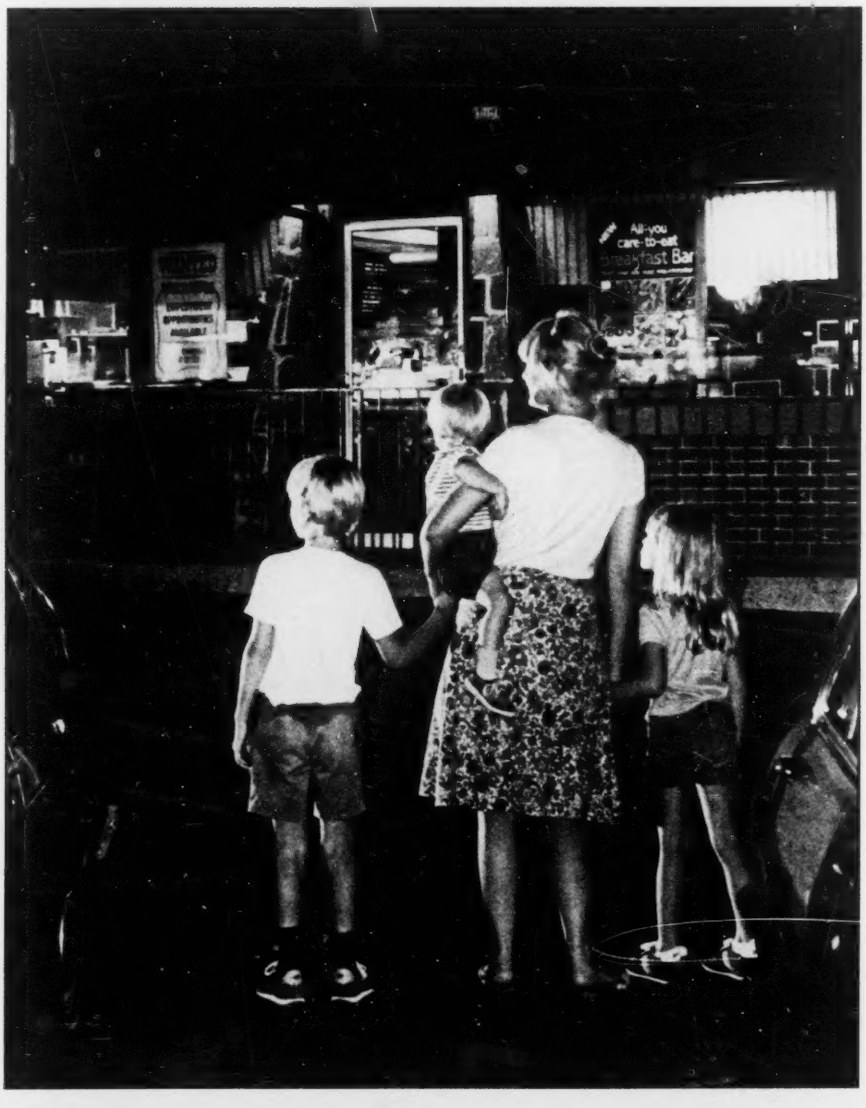
BK: My philosophy is to keep it simple. We had a computer system to operate the building, and it was nothing but a maintenance headache. We had full-time maintenance people there all the time. A people energy program or an energy management system can do just about anything that a computer can do manually. The point is how well and how dedicated can you get your people. I think you really need to install equipment to control items that people forget. They forget to turn things off at night, which is probably where you have some of your best savings potential. You can do that with a mechanical or electronic timer.

JS: We give the managers in our store manuals. We tell them and we show them what the equipment is. We have an educational handout which explains what each one of the components is, what we are trying to do, what we can do and what we cannot do. We've learned that the hard way. We also tell them how to recognize improper operation, and that is as important as how it works. If you're trying to use a piece of equipment to save energy, you have to know when it is not working properly.

CJ: The hope of our society and our industry has been to turn to some mechanical device that would manage for us, so we could turn our backs on it and forget it. That's not the way it works. We see people taking a knife to push thermostats around and hanging ice bags on thermostats and putting light bulbs on the thermostats to control the devices. There are many ways that these systems can be bypassed. You can't avoid being involved in the people system. ❑

WORKING WOMEN DEPEND ON FOODSERVICE

by Cecelia Niepold



Eating out patterns among working women are emerging. Consumer surveys, NRA studies and government reports all indicate that the working woman is depending more on foodservice operations of all kinds to help her manage her busy schedule. This Foodservice Trends *report examines these new patterns.*

The traditional homemaker image no longer applies to many American women. In less than four decades the number of working women has increased over threefold as more and more women have moved out of the kitchen and into the workforce. The Bureau of Labor Statistics expects this growth to continue and predicts that by 1990 almost six out of 10 women will be working.

Along with the tremendous growth in the number of women in the workforce, other aspects of women's lives have also changed. Women are now more educated, marry later in life, have fewer children and are generally more independent than they were in prior generations. For example, the number of women who combine careers with family life has jumped substantially. In 1950, only 12 percent of all married women with children under six were employed. By 1982 approximately half of the members of this category were working. And two-thirds of all mothers with school age children were in the labor force by 1982. These women find it increasingly difficult to find the time to do all their household and child care chores and work outside the home, too.

Studies of housework and child care show that working women continue to do the majority of the housework—often at the expense of leisure activities. Consequently, working women, with less time or desire to cook at home, depend more on the convenience offered by restaurants. This, as well as the fact that working women (who are often from two-earner households) spend more on eating away from home and dine out more frequently than many other consumer groups, makes the working woman and her family a logical customer for restaurateurs to target.

Two-income households earn more and spend more on dining out...

According to the Bureau of Labor Statistics' *1980-1981 Consumer Expenditure Survey*, families with two wage earners (many of which include a working wife or mother) earn nearly 42 percent more in pretaxed income than do households with only one wage earner. Also, this same study reported that two-earner households spend significantly more of their weekly food budget on dining out—34 percent—compared with one-earner households who spend a lower 26.9 percent on food away from home. NRA research also has shown that as income rises, spending on restaurant meals and frequency of eating out increases.

The margin between incomes for working women versus non-working women households should widen in the next several years. Women are continuing to broaden their skills and education and advance into higher paying jobs. In just 10 years, between 1972 and 1982, the percentage of total technical and professional jobs held by women has grown from 39.3 percent to over 45 percent. Chase Econometrics expects this trend to continue, and, as a result, predicts that the median income of all two-income households will rise almost 50 percent faster than for total households during the 1980s.

Consequently, with the number of employed wives and mothers increasing, the restaurant industry is faced with an expanding market. Capturing some of this group's growing income and desire for convenience presents a profitable opportunity for restaurant operators.

Working women are more likely to dine out than non-working women...

According to the most recent Gallup *Monthly Monitor of Eating Away from Home*, on any given day during the spring quarter, almost four in 10 American adults chose to eat away from home. Among females, almost 36 percent went out to eat on an average day. Of the total female group, though, working women ate out substantially more often than their non-working counterparts. On an average day, a significant number of working women—44 percent—ate away from home compared with only 28.3 percent of the non-employed women. This significant difference is also reflected in other Gallup quarterly reports and indicates that working women are much more likely to eat out than non-working women.

Also, as revealed in a soon-to-be released consumer attitude and behavior study by the NRA, respondents from households with a working wife or mother reported dining out 4.1 times in the two weeks prior to the survey.* In comparison, individuals from households with a non-working female reported eating out less frequently—3.2 times in that period. This amounts to approximately 26 more restaurant visits per year by households with a working woman—a considerable amount of business for restaurateurs.

Households with a working woman are more frequent visitors at all restaurant types...

Looking at the different restaurant types, households with working women are more frequent visitors at all three of the basic restaurant categories—fast food, family and atmosphere/specialty establishments.

As reported in the upcoming consumer attitude and behavior study by the NRA, over eight out of 10 respondents from households with working women reported visiting a fast food restaurant within the two weeks prior to the survey. This compares with only 67 percent for those from households with non-working females. A very large segment—16 percent—of those from working women households reported eating at fast food restaurants very frequently—over 11 times per month. In comparison, only 7.2 percent of the individuals from households with non-working women said they patronize fast food establishments that often.

NRA's consumer study also looks at the reasons consumers choose different restaurant types and reports almost 84 percent of the families with a working woman go to fast food restaurants due to lack of time as well as convenience factors. A considerably smaller percentage of the households where the wife or mother is not employed outside the home—74.4 percent—visit fast food establishments for these same reasons. Working women, faced with somewhat more hectic schedules than non-working women, are obviously concerned with convenience. Restaurateurs trying to increase patronage by working women and their families may want to emphasize this aspect of their restaurant's operation.

Households that include a working woman are also more frequent family restaurant visitors. Almost 64 percent of the individuals surveyed from households with an employed female said they had eaten at a family restaurant in the last

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***The survey was conducted between August 11 and August 24, 1982.**

two weeks. This compares with a smaller proportion for those from families where the wife or mother does not work outside the home—55 percent. On average, the members of households with a working female dine at family restaurants over four times a month. In comparison, households with a non-working wife or mother visit this type of establishment slightly less frequently—3.8 times a month.

Again, convenience factors were cited by more working women households when asked why they chose to dine at family restaurants. Other reasons for visiting family restaurants mentioned more often by respondents from households with a working woman were celebrating an event or business meetings.

Working women are also more likely to eat at atmosphere restaurants. More than six out of 10 respondents from households containing a working woman reported they had eaten at an upscale restaurant within the last month, compared with less than half of those from households with a non-working female. Nearly four out of 10 people from households with a working wife or mother said they visit upscale restaurants between two and four times a month, versus only three out of 10 for individuals from households with a non-working female.

When asked why they dine at atmosphere restaurants, most respondents—46 percent—said they visit such places simply for enjoyment. Responses from households with working women mirrored the average, while slightly more non-working women households—almost half—listed simple enjoyment. Also, approximately two out of 10 consumers said they visit upscale restaurants to celebrate an event. However, slightly more members of working women households—16.1 percent—patronize this type of restaurant due to time constraints and convenience reasons, compared with only 13.4 percent for their non-working counterparts.

Dinner is most popular meal. . .

Working women and their families are more likely to eat dinner away from home than other consumer groups. This may be due to the fact that women who work all day may not have the time or desire to prepare the evening meal at home. For instance, when asked which meal period they were most likely to choose when patronizing a certain restaurant type, more individuals from households with a working woman—94.3 percent—reported they usually visit an atmosphere restaurant during the dinner meal. A somewhat smaller percentage of the respondents from non-working women households—91.3 percent—indicated they usually choose to dine at upscale restaurants for the evening meal.

This trend is even more apparent at family restaurants, with more than seven out of 10 members of working women households reporting they eat dinner more frequently at these establishments compared with 65.5 percent for total respondents and 65.7 percent for those from families where the wife or mother is not employed outside the home. Approximately four out of 10 individuals from both the working and non-working female segments said they usually choose to eat the evening meal at fast food establishments, slightly more than the 36.4 percent for all respondents.

Families with working women are generally less apt to eat lunch at both family and upscale restaurants than other consumer groups. However, households with an employed wife or mother are somewhat more likely to choose a fast food establishment for their mid-day meal than households with non-working females. Also, members of working women households are less likely to eat breakfast at any of the restaurant types compared with other consumer groups.

Restaurateurs interested in boosting the overall patronage of working women and their families, may want to emphasize the convenience and quick service their restaurants offer during the breakfast and lunch meal periods. Perhaps adding a take-out menu geared toward the working woman or advertising fast service will help draw more of this lucrative consumer market. (As mentioned in the May issue of *NRA NEWS*, female workers are significantly more likely to order take-out food during lunch and breakfast than male workers.) Since working women and their families visit restaurants most frequently during the dinner meal, restaurateurs should also emphasize the enjoyment, relaxation and convenience their establishments offer during this meal period to insure repeat patronage.

Percentage of respondents eating out at restaurant types

	Atmosphere/specialty*	Family +	Fast food +
Working women	62.7%	63.9%	80.1%
Non-working women	49.6	55.0	67.1
Total respondents	57.8	60.3	73.8

*percentage eating out in the month before the survey**
+ percentage eating out in the two weeks prior to the survey**

Source: "Consumer Expectations with Regard to Dining Away From Home," *National Restaurant Association (To be released Fall, 1983.)*

What do working women look for in a dining out experience?. . .

To encourage working women to patronize their establishments, restaurateurs should be aware of the qualities this consumer group feels are most important in a dining out experience. In NRA's *How Consumers Make the Decision to Eat Out*, respondents were asked to rate the importance of various qualities when choosing a restaurant. Logically, consumers seem to expect and prefer different qualities at different types of restaurants. Some significant differences between the households with a working wife or mother and those with a non-working female appeared in the survey, as well as some predictable similarities. For instance, food quality was mentioned most often by all consumer groups as being a very important aspect of dining out at all three of the restaurant types. More members of households with working women, however, consistently rated this a "very important" factor compared with other consumer segments. Looking at the specific restaurant types and some of the qualities members of families with a working woman feel

Percentage of consumers giving "very important" ratings to restaurant qualities

At atmosphere/specialty restaurants

Restaurant quality	Working women	Non-working women	Total respondents
Food quality	81.5%	74.9%	77.4%
Atmosphere	58.5	57.7	57.1
Friendly service	57.1	57.5	57.3
Nutritious food	21.5	36.4	30.6
Menu variety	18.3	33.7	26.4
Fast service	14.8	25.5	20.4
Convenient location	10.3	31.7	21.8

At family restaurants

Restaurant quality	Working women	Non-working women	Total respondents
Food quality	3.8%	64.6%	64.9%
Friendly service	46.1	47.3	47.2
Nutritious food	32.6	35.4	34.7
Convenient location	30.2	26.0	27.6
Menu variety	28.0	26.0	26.9
Atmosphere	27.6	40.3	35.2
Fast service	26.1	26.4	26.8

At fast food establishments

Restaurant quality	Working women	Non-working women	Total respondents
Food quality	51.0%	50.1%	50.3%
Convenient location	49.3	44.0	46.8
Fast service	42.7	33.6	37.9
Friendly service	39.9	44.4	43.0
Atmosphere	20.9	23.4	22.6
Nutritious food	20.1	28.7	24.4
Menu variety	13.1	17.3	15.3

Source: *"How Consumers Make the Decision to Eat Out,"* National Restaurant Association, 1982

are most important to an enjoyable dining out experience may help restaurateurs more successfully serve these customers.

For example, at fast food restaurants, the qualities receiving a higher percentage of "very important" ratings by individuals from households with working women than by those from families with non-working women and the total respondent group were

- food quality
- convenient location and
- fast service.

Once again, working women and their families seem to patronize fast food restaurants more for convenience and quick service than other customers. Friendly service, atmosphere and nutritious food weren't quite as important to people from working women households as to those from non-working women families. Menu variety at fast food establishments received a very small percentage of "very important" ratings from both the non-working and working female consumer groups.

Some interesting differences surfaced in the ratings for family restaurants. For instance, qualities rated higher or fairly similar by respondents from families with a working female were

- food quality
- convenient location
- fast service and
- menu variety.

Interestingly, menu variety is somewhat more important to members of working women households than to members of non-working women families when visiting family restaurants, and this differs from the menu variety ratings for other restaurant types. Friendly service and nutritious food, however, are not quite as important to individuals from working women households at this type of establishment. In addition, only 27.6 percent of the respondents from working women families felt atmosphere was a "very important" element for family style restaurants, compared with a much higher four out of 10 for those from non-working women households. Again, working women and their families seem primarily concerned with convenience at this type of restaurant but they also prefer family restaurants offering a variety of quality food.

The qualities members of working women households feel are most important at atmosphere/specialty restaurants are somewhat different than those at the other types of restaurants. For instance, the characteristics receiving higher or fairly equal ratings by respondents from families with working women when compared with those for non-working women households were

- food quality
- atmosphere and
- friendly service.

Very few individuals from households with a working woman—10.3 percent—gave convenient location a very important rating, compared with almost 32 percent for those from non-working women families. Fast service, menu variety and nutritious food also received comparatively low ratings from working women and their families. Working women seem primarily interested in enjoying the atmosphere and quality food offered by upscale restaurants and are not quite as concerned with convenience and fast service when dining at this type of establishment.

Working women—a lucrative market…

Working women and their families present a very lucrative market for restaurateurs. This growing segment of our population not only eats out very frequently, but they also spend more proportionately on dining away from home. Working women, with less free time, are increasingly taking advantage of the ease and convenience of dining out. To capture some of this expanding market, restaurateurs should give the working woman the amenities she needs and wants—a pleasant, convenient dining experience with nothing less than excellent food quality. After all, the working woman—if satisfied—may not only bring her family and friends back to eat at your establishment. She also may invite her business associates. ❑

New study shows restaurant distribution across U.S.

Which restaurant category accounts for the largest number of establishments across the nation? What kinds of restaurants are clustered in different areas of the country and in what proportions? Do restaurant types vary significantly by region?

The answers to these and other similar questions can be very important to strategic planning efforts by foodservice operators. Having an overview of the competition in a particular area as well as across the country can help restaurateurs more effectively market their own establishments.

A recent study by Restaurant Consulting Group, Inc.—RE-COUNT—takes a look at the number of restaurants across the country and provides unit counts for 47 restaurant types in each of the nine census regions and the total United States.*

This article will highlight some of the information presented in the report to give restaurant operators a clearer view of the existing competition in various areas as well as a better idea of current consumer preferences and opportunities for expansion in different parts of the country.

HIGHLIGHTS

◆ Hamburger is king in six of the nine census regions, but pizza restaurants have captured 9.3 percent of the national restaurant market. Hamburger outlets account for 9.2 percent of the eating places across the country.

◆ Over half the pizza restaurants in the U.S. are located in New England, Middle Atlantic and East North Central regions.

◆ Despite the cold weather, New Englanders have more ice cream establishments to choose from than hamburger restaurants.

◆ Mexican restaurants are concentrated in the Southwestern United States, with seven out of 10 located in this area. The further west you go, the higher the proportion of Mexican restaurants. The percentage of Mexican restaurants in the Pacific region is 12 times greater than in the New England area.

◆ Oriental restaurants are most widespread on the Pacific and Atlantic coasts. A quarter of all oriental establishments in the country are located in the Pacific region, and approximately 40 percent are along the east coast.

◆ Chicken and barbecue are definitely southern favorites as nearly half the chicken restaurants and almost 70 percent of the barbecue establishments are located in the south.

◆ Almost one in four seafood restaurants in the nation are located in the South Atlantic region.

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*The RE-COUNT study was compiled by Restaurant Consulting Group, Inc., a market research firm located in Kenilworth, IL, from a variety of sources including government information, credit reporting services, yellow page phone directories and white page phone directories. To provide NRA members with this information, NRA has contracted for sole publication rights to the national and regional study. Restaurant Consulting Group estimates the RE-COUNT study covers 80 percent of the total restaurant market as of spring 1982, but notes that the proportions of restaurant types across the U.S. should be accurate. NRA's restaurant unit count varies somewhat from the RE-COUNT study due to variations in classification. Difficulties in accurately identifying restaurants across the country account for the large proportion of unclassified units. Since this is the first year of the study, this unclassified segment should be reduced in the next report. The second reprint will be available sometime this fall. It covers the restaurant market through spring 1983. For members interested in particular market segments, RE-COUNT also offers more in-depth information on a metropolitan, county or statewide basis.

Pizza edges past hamburgers...

Is hamburger number one? According to the RE-COUNT study, hamburgers may be tops in terms of sales and burgers sold, but pizza restaurants slightly outnumber hamburger establishments in the U.S. And, by adding Italian restaurants—most of which probably serve pizza—there are actually 15 percent more pizza and Italian establishments across the country than hamburger operations. Pizza establishments account for 9.3 percent of the restaurants in the U.S., while hamburger units make up a slightly lower proportion—9.2 percent.

Total U.S. category shares and numbers of restaurant units

Restaurant type	Number of units	Percentage of total
Pizza	26,417	9.3%
Hamburger	26,390	9.2
Ice cream	17,089	6.0
Cafes	11,885	4.2
Mexican	10,888	3.8
Oriental	9,918	3.5
Family style/full menu	9,739	3.4
Chicken	9,695	3.4
Fish/seafood	8,328	2.9
Steak*	8,130	2.8
Barbecue	5,172	1.8
Deli/bagel	4,718	1.7
Italian	3,953	1.4
Coffee shops	3,814	1.3
Other sandwich	3,250	1.1
Subs	3,202	1.1
Grills	2,838	1.0
Other ethnic	2,768	1.0
Refreshment/snacks	2,673	0.9
Cafeteria	2,641	0.9
Diners	2,599	0.9
Hot dogs	2,498	0.9
Pancake/waffle	1,788	0.6
Other specialty*	1,765	0.6
Roast beef	1,732	0.6
French	1,484	0.5
Luncheonettes	1,351	0.5
Donut	1,256	0.4
Upscale/full menu	1,215	0.4
Truck stops	825	0.3
Unclassified	95,171	33.6

**category includes several sub-groupings*

Source: *RE-COUNT*

Ice cream restaurants captured the number three spot and comprise six percent of the nation's establishments. Mexican, Oriental and chicken restaurants account for a fairly similar proportion of the restaurants in the U.S.—Mexican (3.8 percent), Oriental (3.5 percent) and chicken (3.4 percent). Altogether, hamburger, pizza, ice cream, Mexican, Oriental and chicken establishments make up over a third of the restaurants across the country. However, due to regional preferences and population variations, the proportions of these and other categories vary in different areas of the country.

Few hamburger establishments in the Northeast...

The *New England* census region has the lowest proportion of hamburger establishments in the country—only 4.4 percent of all restaurants in the New England area are hamburger operations. Pizza is the most prevalent type of eating place, accounting for 12.6 percent of all the restaurants. Despite the chilly northeast weather, even ice cream establishments outnumber hamburger outlets with 5.7 percent of the total restaurant market. Seafood and Oriental restaurants both make up 3.8 percent of the total—higher than the national average in both categories. New Englanders don't have many chicken restaurants to choose from—this region (along with the Middle Atlantic region) has the lowest concentration of chicken establishments in the nation—only 1.4 percent.

In the *Middle Atlantic* region, pizza restaurants account for almost 13 percent of all eating places—the highest concentration in the country. This area also has the largest proportion of Italian restaurants—2.5 percent. Obviously, there is quite a bit of Italian influence in the New York, New Jersey and Pennsylvania area. Hamburger outlets make up 5.3 percent of the total market. This is still a low percentage but slightly higher than the number of ice cream outlets, which constitute 5.0 percent of the eating places. Oriental restaurants are fairly prevalent in this part of the country and account for 4.6 percent of the total, significantly above the 3.5 percent national average for this type of establishment. Delis and bagel shops are also more popular in the Mid-Atlantic states and comprise 2.7 percent of all restaurants, slightly higher than the 1.7 percent average distribution. Seafood restaurants, though, are less abundant in this area and make up only 2.4 percent of all eating places, compared with a 2.9 percent average across the country.

Hamburger and chicken restaurants most prevalent in the South...

Hamburger is the most prevalent type of eating establishment in the *South Atlantic* census region, accounting for over one in 10 restaurants in this area. Pizza outlets are number two with 7.6 percent of eating places and ice cream units are third with 5.7 percent of the total establishments. The South Atlantic area has the highest proportion of seafood restaurants in the country—5.1 percent—probably because the majority of states in this region are located along the Atlantic coast. Chicken and barbecue restaurants are much more widespread in this part of the country compared to the national average. And, pancake/waffle establishments, although accounting for a low percentage (1.2 percent), are more abundant in this region than in any other section of the country. Mexican and Oriental eating places, however, are not quite as prevalent in this region compared with other areas across the U.S.

Hamburger establishments easily captured the number one spot in the *East South Central* region. They account for 13.4 percent of all eating places in this region—the highest concentration in the nation. Pizza and ice cream establishments have fairly similar distributions and comprise 7.1 percent and 6.8 percent, respectively, of the total market. Chicken restaurants are very popular in this southern region and make up 5.3 percent of all the establishments—the largest concentration (along with the West South Central re-

Restaurant distribution

Oriental restaurants

Region	Percentage of all restaurants	Number of units
Total U.S.	3.5%	9,918
New England	3.8	617
Middle Atlantic	4.6	2,111
South Atlantic	3.1	1,291
East South Central	1.2	184
West South Central	2.2	837
East North Central	2.6	1,280
West North Central	2.3	471
Mountain	3.1	507
Pacific	6.1	2,620

Source: *RE-COUNT*

Mexican restaurants

Region	Percentage of all restaurants	Number of units
Total U.S.	3.8%	10,858
New England	0.7	119
Middle Atlantic	0.9	417
South Atlantic	1.8	747
East South Central	1.5	237
West South Central	6.9	2,600
East North Central	2.2	1,087
West North Central	3.6	761
Mountain	8.1	1,319
Pacific	8.4	3,601

Source: *RE-COUNT*

Chicken restaurants

Region	Percentage of all restaurants	Number of units
Total U.S.	3.4%	9,695
New England	1.4	227
Middle Atlantic	1.4	646
South Atlantic	4.6	1,884
East South Central	5.3	817
West South Central	5.3	1,979
East North Central	3.6	1,746
West North Central	2.9	606
Mountain	2.9	476
Pacific	3.1	1,314

Source: *RE-COUNT*

Pizza restaurants

Region	Percentage of all restaurants	Number of units
Total U.S.	9.3%	26,417
New England	12.6	2,068
Middle Atlantic	12.9	5,963
South Atlantic	7.6	3,146
East South Central	7.1	1,096
West South Central	5.8	2,192
East North Central	12.1	5,904
West North Central	8.6	1,797
Mountain	8.4	1,367
Pacific	6.8	2,884

Source: *RE-COUNT*

Ice cream restaurants

Region	Percentage of all restaurants	Number of units
Total U.S.	6.0%	17,089
New England	5.7	927
Middle Atlantic	5.0	2,297
South Atlantic	5.7	2,346
East South Central	6.8	1,051
West South Central	6.9	2,594
East North Central	6.6	3,200
West North Central	7.5	1,575
Mountain	6.0	985
Pacific	5.0	2,114

Source: *RE-COUNT*

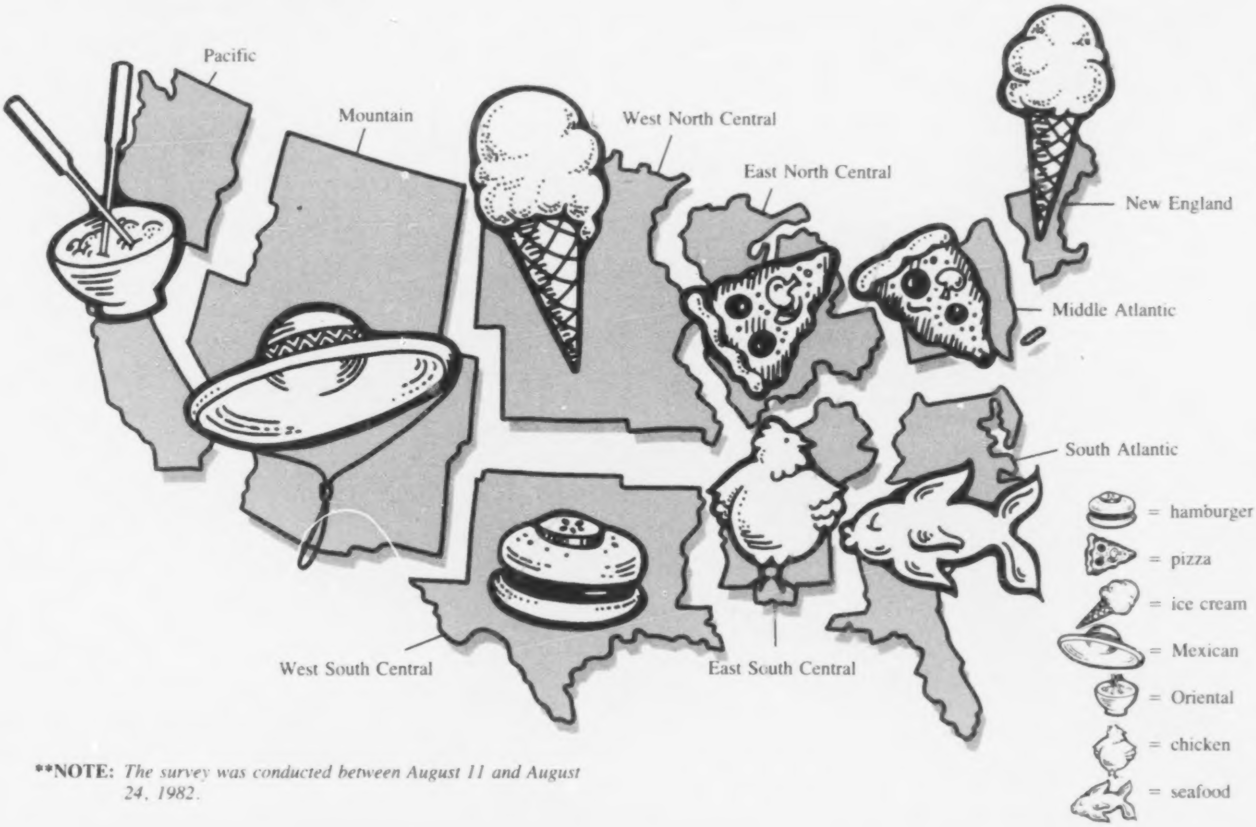
Hamburger restaurants

Region	Percentage of all restaurants	Number of units
Total U.S.	9.2%	26,390
New England	4.4	717
Middle Atlantic	5.3	2,464
South Atlantic	10.2	4,211
East South Central	13.4	2,062
West South Central	11.1	4,165
East North Central	[illegible]	4,665
West North Central	[illegible]	2,343
Mountain	[illegible]	1,723
Pacific	9.5	4,040

Source: *RE-COUNT*

gion) in the country. As can be expected, barbecue eating places are also widespread in this area and account for 4.4 percent of all restaurants—much higher than the 1.8 percent national average. Also abundant are seafood restaurants with 4.2 percent of the market—the second highest concentration of this type of establishment in the U.S. Oriental, Mexican and Italian restaurants hold very small shares of the overall restaurant marketplace in this region.

In the *West South Central* region, hamburger restaurants are again very prevalent and account for 11.1 percent of all the dining establishments in the area. Mexican restaurants and ice cream outlets jump into second place, each capturing 6.9 percent of the region's restaurant market. The popularity of Mexican food is no doubt related to the widespread Mexican influence in this area. Pizza eating places constitute only 5.8 percent of the restaurants in the region—the lowest concentration in the country. Again, chicken and barbecue restaurants are very popular in this region. Almost 5.0 percent of this area's eating places are barbecue outlets—the highest proportion in the U.S. Cafeteria style restaurants seem most popular in the southern states, with the highest concentration occurring in the West South Central region—1.6 percent. Ethnic restaurants—other than Mexican—are not widely distributed in this area.



NOTE: *The survey was conducted between August 11 and August 24, 1982.*

Restaurant distribution

Region	**Restaurant type**
New England (ME, VT, NH, MA, RI, CT)	Ice cream, pizza
Middle Atlantic (NY, PA, NJ)	Pizza, Oriental
South Atlantic (DE, MD, DC, VA, WV, NC, SC, GA, FL)	Seafood, hamburger, chicken
East South Central (KY, TN, MS, AL)	Hamburger, chicken, seafood
West South Central (TX, OK, AR, LA)	Hamburger, Mexican, chicken
East North Central (WI, IL, IN, OH, MI)	Pizza, hamburger
West North Central (ND, SD, NE, KS, MN, IA, MO)	Hamburger, pizza, ice cream
Mountain (MT, ID, WY, NV, VT, CO, AZ, NM)	Mexican, hamburger, pizza
Pacific (WA, OR, CA)	Oriental, Mexican, hamburger

Hamburger, pizza and ice cream popular in the Midwest...

Pizza units outnumber hamburger outlets in the *East North Central* census region. Pizza restaurants account for a substantial 12.1 percent of total restaurants versus a smaller 9.6 percent distribution of hamburger establishments. Ice cream takes the number three spot with 6.6 percent of the market. Slightly more chicken establishments are located in this area than in most regions—3.6 percent compared with the 3.4 percent national average. Oriental, Mexican and seafood restaurants occupy smaller market shares in this region compared with averages across the country.

Hamburger restaurants are most prevalent in the *West North Central* region—over one in 10 eating places in this area are hamburger establishments. Pizza restaurants are number two and account for 8.6 percent of the total market. Ice cream places account for 7.5 percent of the restaurants in this region—the highest distribution of this type of establishment in the country. Chicken, Mexican and Oriental restaurants are less widespread in this region than in most areas of the country. And, only 1.5 percent of the eating places in this area are seafood restaurants—the lowest concentration in the nation.

Many Mexican restaurants in the West...

Over eight percent of the restaurants in the *Mountain* region are Mexican establishments—more than twice the national average. This emphasizes the influence the Mexican culture has had on the western part of the U.S. Even so, hamburger restaurants are still the most prevalent restaurant type in this area with 10.5 percent of the eating place marketplace. Pizza restaurants are also well represented and account for 8.4 percent of the establishments in the Mountain region. Six percent of the eating places in this area are ice cream restaurants, which approximates the national average. Overall concentration of chicken, Oriental and Italian establishments is somewhat less than average in this part of the country. And, only a very small proportion of seafood restaurants—1.7 percent—makes up the total eating place market in this region.

Mexican restaurants are also very prevalent in the *Pacific* region and account for 8.4 percent of all eating places in this area. Oriental restaurants are also abundant on the west coast and comprise 6.1 percent of the total restaurants in the region—almost twice the U.S. average. This reflects the tremendous influence the large Oriental population has had on this section of the country. Another category very well represented on the west coast is deli/bagel shops. This type of establishment accounts for almost 3.0 percent of total restaurants—the highest percentage in the country. Hamburgers hold the biggest portion of the restaurant marketplace, though, with 9.5 percent of all the eating places in the Pacific region. A below average 6.8 percent of the restaurants in this area are pizza outlets—less than the percentage of Mexican units and only slightly more than the proportion of Oriental establishments. Chicken and seafood restaurants are also less widespread on the west coast than in most other areas of the country. Ice cream establishments account for only 5.0 percent of the total eating places in this region—the lowest concentration in the country.

Editor's note: *If you have questions concerning the content of this article or would like additional information, contact Cecelia Niepold at the National Restaurant Association, 311 First Street, N.W., Washington, DC 20001; (800) 424-5156 or (202) 638-6100.*

Foodservice economic indicators

The economy seems to have finally come out of the recession. The foodservice industry should benefit along with the rest of the nation. Inflation has subsided, personal income is rising and energy costs have moderated. Consumer spending, a major impetus behind the recovery, should strengthen as Americans become increasingly optimistic about the months to come. All of these factors indicate a brightening picture for the foodservice industry.

Adding to the optimistic outlook is the steady slowdown in menu price increases. Menu prices, as measured by the Consumer Price Index (CPI) for food away from home, have averaged only 4.6 percent higher during the first six months of 1983 compared with one year earlier. This is less than the 5.3 percent increase recorded during the 1981-1982 annual period and slightly lower than the 4.7 percent rise reported for the first quarter of this year.

Substantially smaller advances in food costs have helped operators maintain the modest menu price increases. During the first six months of this year, wholesale food costs for restaurant operators rose a very small 0.4 percent over the same period in 1982. This is significantly less than the 2.5 percent increase posted during the 1981-1982 time period. Lower prices for beef, veal, pork, poultry, vegetables and fruits have helped stabilize overall food costs for the industry.

Labor costs have risen, but not substantially. For the month of April (latest available figures) average weekly earnings increased 4.7 percent over April 1982. This is slightly higher than the 3.9 percent rise recorded for all of 1982, but significantly less than the 7.0 percent advance posted during 1981.

Percent change in foodservice economic indicators

Consumer prices	1980-1981	1981-1982	Jan.-June '82 vs. Jan.-June '83
Food away from home	9.0%	5.3%	4.6%
Food at home	7.3	3.4	1.2
All items	9.6	6.8	3.4
All items less food	10.9	6.6	3.6

Source: *Bureau of Labor Statistics*, Consumer Price Index

Food costs	1980-1981	1981-1982	Jan.-June '82 vs. Jan.-June '83
All food	3.0%	1.1%	0.4%
NRA's food cost index	3.0	2.5	0.4

Source: *Bureau of Labor Statistics*, Producer Price Index, NRA

Labor costs	1980-1981	1981-1982	April '82*
Average weekly earnings	7.0%	3.9%	4.7
Average weekly hours	nc**	0.4	nc**

**forecast*
***no change*
Source: *Bureau of Labor Statistics*

Sales	1980-1981	1981-1982	1982-1983*
Total industry			
current dollars	9.3%	6.4%	8.2%
real dollars	0.4	1.2	3.3
Commercial group			
current dollars	9.8	6.6	8.6
real dollars	0.5	1.6	3.6
Eating places			
current dollars	10.3	7.8	9.1
real dollars	1.0	2.0	4.1

**forecast*
Source: *National Restaurant Association*
NOTE: *All figures are subject to revision*

Due to the strengthening economy, NRA has revised its 1983 forecast for foodservice sales. Real sales for the total industry are now expected to gain 3.3 percent in 1983, compared with a more modest 2.0 percent originally predicted. This is a substantial improvement over 1982's slower 1.2 percent real increase. Eating place sales, which account for about 60 percent of the total industry, are now predicted to rise 4.1 percent—much higher than the 2.6 percent originally forecast and over twice as strong as the 2.0 percent gain recorded in 1982. (For the rest of NRA's revised 1983 forecast, see the August issue of **NRA NEWS**.)

HALF BAKED

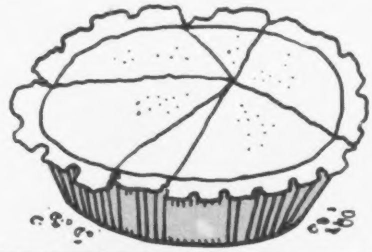
Waitressing—the first act

Many top television and movie actresses got their first public role by waiting tables.

Bette Davis, Raquel Welch, Joan Crawford, Faye Dunaway, Glenda Jackson, Joan Fontaine, Olivia de Haviland, Jacqueline Bisset, Jessica Lange, Maureen Stapleton, Cindy Williams, Betty Thomas and Lauren Hutton are all former waitresses.

However, not all actresses make good waitresses. Jane Wyman, long time screen actress, current star of TV's *Falcon Crest* and the former Mrs. Ronald Reagan, was fired from a Los Angeles coffee shop because she couldn't cut pie into six geometrically even pieces.

—Washington Times



A recipe for cookbooks

Cooking has become such a national pastime that there is even a company that is publishing a guidebook for corporations and associations who are in the food, appliance and kitchen equipment industries.

In its 32-page guide, The Making of a Sponsored Cookbook, The Benjamin Co. answers many questions about the intricacies involved in book publishing and distribution.

Companies that have used Benjamin's expertise include: Kraft, Inc., "The Complete Cheese Cookbook;" Chicken of the Sea, "The Tempting Tuna Cookbook;" Reynolds Metals, "Creative Cooking with Aluminum Foil;" and Tupperware, "Picnics, Parties & Snacks Around the World."

—Washington Times

The fine art of the water steward

A new profession in the foodservice industry? That's what Mimi Sheraton predicted in a recent *New York Times* tongue-in-cheek column. Spring waters have become such a status symbol that a "water steward" may soon follow in the footsteps of his wine counterpart, she said.

Some of the pressing questions a water steward will be faced with, Sheraton quipped, are

1. Do the waters of a particular spring or well differ from year to year, and should the bottles be marked with the date of bottling?

2. Are some years better for water, and should the price reflect this?

3. Should sparkling waters and still waters have their own shaped glasses for enhanced taste?

4. Do some foods require sparkling water while delicately-flavored foods need still waters?

The serving of water also presents much controversy, she added. A reputable wine steward would never

- serve bottled water that has been opened before being brought to the table,

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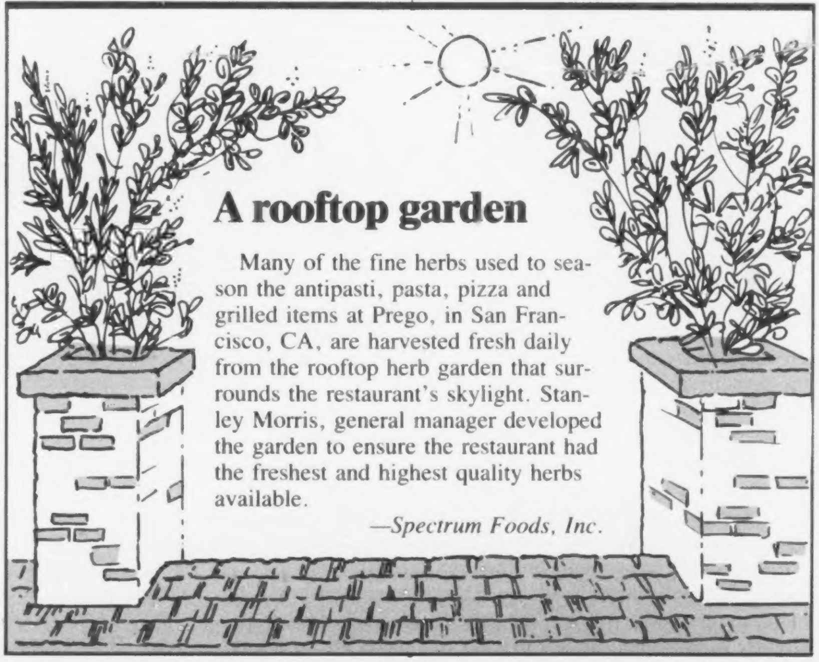
1983

- add ice cubes to chill the water and dilute the purity,
- automatically add lime or lemon to bottled water to destroy the clarity and purity, or
- add ordinary water to mineral water.

— New York Times

***NRA NEWS** suggests restaurants stimulate interest in the new product by featuring water tastings as well as bread and water parties.*



A rooftop garden

Many of the fine herbs used to season the antipasti, pasta, pizza and grilled items at Prego, in San Francisco, CA, are harvested fresh daily from the rooftop herb garden that surrounds the restaurant's skylight. Stanley Morris, general manager developed the garden to ensure the restaurant had the freshest and highest quality herbs available.

—Spectrum Foods, Inc.

NRA SEMINAR SCHEDULE

American Regional Cookery

9/14-15	Los Angeles, CA
10/5-6	San Francisco, CA
10/25-26	New Orleans, LA
11/29-30	Washington, DC

Simplified Baking Workshop

10/17	Portland, OR
10/19	Los Angeles, CA
12/8	Nashville, TN

Banquets and Buffets

10/3-4	Chicago, IL
11/9-10	Boston, MA
11/14-15	Washington, DC
12/14-15	Seattle, WA

Bar Management

9-21	Seattle, WA
10/17-19	Philadelphia, PA
11/21-23	Phoenix, AZ
12/5-7	San Antonio, TX

Controlling Beverage Costs

9/14	Des Moines, IA
10/11	Orlando, FL
11/14	Nashville, TN
12/7	Albuquerque, NM

Off-Premise Catering

10/19-20	Denver, CO
11/14-15	Lexington, KY
12/5-6	Atlanta, GA

Computers in Foodservice: A Primer*

9/26	Seattle, WA
9/29	Palo Alto, CA
10/3	Honolulu, HI
10/17	Houston, TX
10/24	Orlando, FL
11/9	Charlotte, NC
11/21	Portland, ME

Computers in Foodservice: Advanced Technologies/Now That I Have One . . .*

9/27	Seattle, WA
9/30	Palo Alto, CA
10/4	Honolulu, HI
10/18	Houston, TX
10/25	Orlando, FL
11/10	Charlotte, NC
11/22	Portland, ME

Perfecting Your Culinary Skills

9/22	Louisville, KY
11/11	Washington, DC

Restaurant Design and Facilities Planning

9/19-20	Reno, NV

Dining Room Management

9/26	Burlington, VT
10/24	Little Rock, AR
11/2	Grand Rapids, MI
11/16	Williamsburg, VA
12/5	Reno, NV
12/12	Long Island, NY

Preparing a Successful Employee Handbook

9/26	Atlanta, GA
11/28	Los Angeles, CA

Eyeing, Buying and Selling Fish and Seafood

9/29	Kansas City, MO
10/17	Jacksonville, FL
10/19	Chicago, IL
11/3	Wilmington, DE

Controlling Food Cost

10/3	Biloxi, MS
11/28	Atlanta, GA

Hiring Hourly Employees

9/14	Oklahoma City, OK
10/6	Montpelier, VT

Kitchen Management

9/15	Wilmington, DE
9/27	Chicago, IL
10/13	Tucson, AZ
10/17	Las Vegas, NV
11/7	Cheyenne, WY
11/28	Ann Arbor, MI
11/30	Madison, WI
12/6	Des Moines, IA

Principles of Labor Cost Management*

11/7	Tampa, FL
11/9	New Orleans, LA
11/21	Keystone, CO

Advanced Labor Cost Management*

11/8	Tampa, FL
11/10	New Orleans, LA
11/22	Keystone, CO

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

10/5-6	Phoenix, AZ

Meat: Purchasing, Preparing and Merchandising

10/13	Indianapolis, IN
12/6	San Antonio, TX

Menu Development

9/20	Cincinnati, OH

Creative Merchandising Techniques

9/26	Salt Lake City, UT
9/27	Albuquerque, NM
10/11	Syracuse, NY
11/17	Minneapolis, MN
12/15	Memphis, TN

Motivation: Increasing the Desire to Do More and Better Work

10/11	Washington, DC
11/22	Detroit, MI
11/29	Orlando, FL

How to Open and Operate a Restaurant

10/18	Boston, MA
10/25	Atlanta, GA
11/29	Chicago, IL

Operational Analysis: Understanding Foodservice Revenues and Expenses

10/26-27	Miami, FL
11/14-15	Dallas, TX

The Pantry: Prep for Profit

9/28	Portsmouth, NH
10/31	Washington, DC
11/3	Cincinnati, OH

Planning and Implementing Restaurant Marketing Strategy

10/3-4	Atlantic City, NJ
12/12-13	Kansas City, MO

Basic Supervision

11/7	Charleston, SC

Basic Purchasing

9/20	Minneapolis, MN
10/4	Salt Lake City, UT
11/8	Portsmouth, NH
11/15	Williamsburg, VA
12/13	Portland, OR

Train the Trainer

10/13	Richmond, VA
10/19	Louisville, KY
11/7	Cleveland, OH
12/8	Washington, DC

Wine: Sales and Merchandising

10/11	Seattle, WA
10/13	Honolulu, HI

STUDY GROUP SCHEDULE

Financial Officers

10/5-7	Orlando, FL

Tax Executives

10/5-7	Orlando, FL

Electronic Data Processing Managers

10/18-21	Lake Tahoe, NV

All interested persons should contact Philip Kralovec at (312) 787-2525

For more information, contact
NRA
Education Programs
311 First St., N.W.
Washington, DC 20001
(800) 424-5156

IN-HOUSE PROGRAMS MAY BE ARRANGED UPON REQUEST.

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*Please note that there are basic and advanced courses on the topics of computers and labor costs. These programs are scheduled consecutively, but either program may be taken independently of the other.

Special offer*

An imaginative newsletter full of unique promotional ideas.

PRO-Motion

Order ***Pro-Motion*** from NRA today. Published bi-monthly PRO Motion will give your promotional programs a shot in the arm.

If you need ideas of things to promote—*PRO-Motion's* got it.

Eliza Doolittle Day

Don't pass up a chance like this. The fanciful character, Eliza Doolittle, brought to life Bernard Shaw's play *Pygmalion* and later by the film *My Fair Lady*, conquered the "proper" English language and made famous the expressions, "The rain in Spain falls mainly on the plain" and "Park your car in Harvard yard." Have an Eliza talk-alike contest, but make sure the contestants can do a before and after—both Cockney and proper English. Turn your restaurant into an English pub for the night. Feature English specialties and have *My Fair Lady* music playing.

If you want to know what you have that you should promote —*PRO-Motion's* got it.

Go to a County Fair

Take a booth at the fair and sell your specials inexpensively and chalk it up to good advertising. If you have something on your menu that is great, give it the exposure it needs and you will bring in a lot of new trade.

Don't forget the food contests. Enter everything you have. If even one of them wins, you can attach a clip-on to your menu announcing that you have a County Fair Winner. You will be telling your customers two very important things: 1. your food is prize winning and 2. it's better than homemade.

Write or contact:
NRA Communications
311 First Street, NW
Washington, DC 20001
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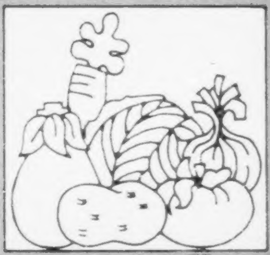
Member price $12;
Non-member price $60.
six issues per year.

If you want to know how to promote a certain holiday—*PRO-Motion's* got it.

Singles tree-trimming party

Singles who live alone may appreciate a chance to trim a tree because, in many cases, they will not put up their own trees. Plan the party for a slow night. Get a nice big tree and encourage your customers to bring in decorations. Offer a free drink for every "acceptable" decoration that they bring in. Offer a grand prize—which could be a Christmas dinner—for the best ornaments.

Bill it as an old-time family Christmas. Offer hot chocolate, hot cider, egg nog and hot mulled wine. Your service staff can dress in Charles Dickens-Christmas costumes; play Christmas music.



If you want to merchandise your products—*PRO-Motion's* got it.

Creating a 'dietful' menu

Summer is the perfect time to promote *slim pickin's* in your restaurant. People tend to be more conscious of their bodies during the summer, yet because of all the activities, their appetites grow. You can help your customers solve this dilemma by developing menu items that not only fill them up, but which also help them maintain their diets.

Develop a special *dietful* menu—and place the emphasis on "full." People tend to think that whenever they are on a diet it is their burden to be endlessly hungry. Convince them that when they come to your restaurant they can stay on their diet and satisfy their appetite at the same time.

* Order now and receive a free do-it-yourself survey which will show you how to promote **your** operation, **good through November 30, 1983.**

National Restaurant Association
Vol. 3 ☐ No. 9 ☐ October 1983

NRA NEWS

Do your employees know where they fit in?

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We have not forgotten the human touch

The Hospitality Workshops are being rolled out.

Two years ago the NRA Board decided that the perennial problem of training employees to treat customers with courtesy and consideration had to be resolved. They employed an educational consulting firm to develop "train the trainer" hospitality seminars. After two years, the Hospitality Project is complete.

Three different forms of the Hospitality Workshop have been developed—one for fast food outlets, one for cafeterias and one for tableservice restaurants. In the past few weeks, all three have been offered to appropriate companies. All three workshops were successful. All three firms were completely satisfied.

When you stop to think of it, this is a remarkable achievement. NRA has developed a program which will focus the attention of the industry on the need for developing hospitality standards. And the association has developed a system to maintain those standards, complete with certification for managers who do the training and pins for employees who successfully complete the program.

This is an important achievement in the age of mechanization. At a time when our industry is involving itself in computerization, it has still not forgotten the human touch—it has still not forgotten the need for hospitality in the nation's restaurants.

NRA is now taking bookings for in-house offerings of this workshop. NRA instructors will bring the workshop to your company.

It is also scheduling the first of these workshops for public attendance—Dallas in February and Atlanta in March. You can enroll your managers to participate in the Hospitality Workshop this winter so that they can bring the program back to your restaurant.

For more information on the Hospitality Workshop, call the Education Programs Department at NRA.

Sincerely,

Ernie Royal

Ernest Henry Royal
Human Resources Committee

NRA NEWS

Vol. 3 No. 9 October 1983

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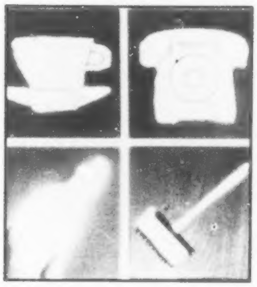

Job opportunities in foodservice are growing rapidly, but in the next few years the market of available workers is expected to shrink. How can you keep the employees you now have happy and develop an enthusiastic group of new workers? This issue of the ***NRA NEWS*** has some suggestions.

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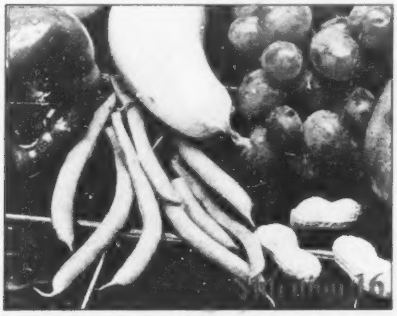

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SHORT ORDER

Labor Department explains its major laws

The U.S. Department of Labor (DOL) has published a booklet to help business, particularly small employers, understand and comply with major laws and regulations administered by the department.

The booklet, entitled "Major Laws Administered by the U.S. Department of Labor Which Affect Business," describes in non-technical language the provisions of 20 laws and regulations, such as the Job Training Partnership Act, the Fair Labor Standards Act, the Occupational Safety and Health Act and the Employee Retirement Income Security Act. It lists the agency within the department responsible for administering the law, and it gives a regional address and phone number where employers can get more detailed information.

You can get a copy of this booklet from DOL's regional offices in any of the following cities: Boston, MA; New York, NY; Philadelphia, PA; Atlanta, GA; Chicago, IL; Dallas, TX; Kansas City, MO; Denver, CO; San Francisco, CA; and Seattle, WA.

New "how to" handbook on site feasibility

A new NRA handbook will help restaurateurs take the guesswork out of finding successful locations and developing restaurant concepts that are right for their areas.

Called *Conducting a Feasibility Study for a New Restaurant,* this unique handbook offers a step-by-step process for using market research techniques to determine whether a proposed site is suitable for a restaurant and, if so, which combination of restaurant characteristics offers the best chance of success.

There are five key steps in conducting a feasibility study. Each step is described in detail in its own chapter of the handbook:

Chapter 1: Researching your market area
Chapter 2: Surveying potential competitors
Chapter 3: Analyzing the selected site
Chapter 4: Developing a restaurant concept
Chapter 5: Constructing a pro forma financial statement

All chapters provide numerous guidelines and illustrations to help restaurant operators gather and organize the data, analyze the data and make the final decision on the feasibility of the site. In addition, sample worksheets are provided which operators can use as a guide for their own feasibility study.

Conducting a Feasibility Study for a New Restaurant is available at a cost of $12.50 (plus $2 shipping and handling) for NRA members and $25 (plus $2 shipping and handling) for non-members. To order, contact the National Restaurant Association, 311 First St., N.W., Washington, DC 20001 or call 800-424-5156. Payment *must* accompany all orders. Credit card telephone orders are accepted. Please specify number CS979 when placing your order.

NRA IN ACTION

• NRA hosts Capitol Hill Reception

NRA directors in Washington, DC, for the Fall Board Meeting met with members of the U.S. Congress during a Capitol Hill Reception sponsored by the National Restaurant Association. See *Board Room* in this issue for more details.

• NRA survey tracks change in eating out habits

An NRA survey conducted by Gallup Organization reveals that 40 percent of Americans are changing their eating out habits. When dining out, four in 10 adults have recently increased their consumption of fruits, vegetables or wholegrains and decreased consumption of refined sugar, animal fats or salts. Details of the survey will be released in a future issue of *NRA NEWS*. In this issue, see the first article in a five part series on nutrition and the American restaurant.

• Second issue of NRA Tip Reporting Bulletin published

In an effort to keep NRA members up to date on tip reporting regulations as well as to involve NRA members with the association's efforts to amend the current allocation requirements, NRA has just published the second issue of the *Tip Reporting Bulletin*. All NRA members will receive copies of the bulletin. See *Washington Report* this month for more information about tip reporting.

• NRA releases 1983 operating ratio report

Conducted jointly by NRA and the international accounting firm, Laventhol and Horwath, the 1983 report is broken down by restaurant type, location, sales volume, menu theme as well as number of years in business. See *Foodservice Trends* in this issue for more on the 1983 report as well as ordering information.

• NRA Annual Tableservice Conference scheduled

The NRA/UNLV 9th Annual Tableservice Conference will be held in Las Vegas, January 9-12, 1984. The conference will delve into new trends among tableservice operations. Breakout workshops will focus on specific areas vital to operators, including menu pricing strategy, facility planning, employee motivation and advertising. Look for more information on the Tableservice Conference in the next issue of *NRA NEWS*.

WASHINGTON REPORT

Tip reporting: 19 cosponsors to NRA-backed bill

Convinced that the new tip reporting law has to be changed, at least 19 congressmen have signed to cosponsor H.R. 3803, an NRA-backed bill that would remove the unfair allocation process and replace it with a modified reporting provision.

NRA officials said they were pleased by this initial response, since many of these cosponsors were picked up during the "dog days" of August—a time when very little is accomplished on Capitol Hill.

The following congressmen are cosponsoring the bill introduced by Reps. John Duncan (R-TN) and Andrew Jacobs (D-IN) on Aug 4: William L. Dickinson (R-AL), Gene Taylor (R-MO), Gus Yatron (D-PA), Pat Roberts (R-KS), Ron Marlenee (R-MT), Lyle Williams (R-OH), Phil Gramm (R-TX), Ron Wyden (D-OR), Ray Kogovsek (D-CO), William Whitehurst (R-VA), Jerry Lewis (R-CA), Larry Hopkins (R-NY), Jim Bates (D-CA), J.P. Hammerschmidt (R-AK), Bob McEwen (R-OH), Charles Whitley (D-NC), Dan Daniel (D-VA), Carroll Campbell (R-SC) and Tom Kindness (R-OH).

"We've had a tremendous outpouring from our members," remarked NRA Government Relations Director Ron Sarasin of NRA's campaign to get restaurateurs to write their representatives and urge them to support the bill. "The letters really drive home the point that this new law is a recordkeeping nightmare and unfair to employees and employers. Having restaurateurs contact their congressmen is the best way of demonstrating to a representative that there is a serious problem that demands his attention. A representative is always more receptive to a letter from a constituent than he is from a professional lobbyist. That's why it's so important for our members to write their congressmen."

Incorporating changes proposed by NRA, H.R. 3803 would amend last year's tax act to make the new law more equitable for employees and less burdensome for employers. Specifically, it would

- Replace the current allocation requirements with more manageable reporting procedures. Under the bill, allocation—the most confusing and unfair aspect of the new law—would *not* be required under any circumstances. However, if an establishment's tipped employees failed to report eight percent of sales, an employer would be required to provide IRS with a record of 1) individual charged tips, 2) individual reported tips and 3) individual hours worked or individual gross sales for each tipped employee.
- Exclude from coverage under the new law establishments where tipping is below five percent. Employees would still be responsible for reporting tips if they are more than $20 a month.
- Provide that coverage under the law be determined on a unit-by-unit basis. For establishments that are part of a corporation, the common ownership provision in the law would not apply.

Correspondence to members of Congress may be addressed to U.S. House of Representatives, Washington, DC 20515.

Preview: Congressional activity this fall

Looking ahead to congressional activity this fall, restaurateurs may expect some legislative action in the following areas:

Tax increases. It's becoming increasingly clear that Congress will not come close to raising $73 billion in new revenue called for in the budget resolution for FY 1984. It is also apparent that there is little interest in the Treasury Department for new legislation to increase taxpayer compliance. And it is also unlikely that any major changes will be made this year in the tax treatment of employee fringe benefits, although there are those in Congress that will press for new taxes on fringes. Expect Congress to do little more than pass several tax measures with a limited revenue impact.

Jobs bill. Congress may take up another jobs bill, but don't expect it to pass. President Reagan does not favor a second jobs-creation bill, and such a "budget buster" stands little chance of passage in the Republican-controlled Senate. A House bill, H.R. 1036, would authorize $5 billion for aid to areas of high unemployment and to the long-term jobless. More realistic are proposals to promote job training through tax incentives to employers.

Health benefits for the jobless. The Senate may take up a much more modest proposal than one approved by the House to provide health insurance benefits to the unemployed. The President does not favor the $4 billion bill approved by the House on Aug. 3. A Senate version that would cost $1.8 billion has been reported out of committee and could see floor action.

Minimum wage legislation. Although there has been a bill introduced in the House to raise the minimum wage to $4.15 an hour, don't expect any action on the measure this year. Also, don't expect action on a bill introduced by Rep. John Erlenborn (R-IL) that would allow employers to pay teens 85 percent of the minimum wage.

Immigration reform. H.R. 1510, the Immigration Reform and Control Act, will probably be debated on the House floor this fall. The Senate has already passed a companion measure, S. 529, and the House version is pending in the Rules Committee after being marked up in four committees. NRA has supported an amendment by Rep. Tom Kindness (R-OH) that would make recordkeeping requirements for employers voluntary. Since the Senate bill does not have a similar provision, it is important for employers that the Kindness amendment be included in any bill approved by the House.

Dairy price supports. The federal government's dairy price support program now costs taxpayers $2 billion a year—too much, many in Congress and the administration say. Congress may debate the issue this fall, but any reductions in supports will be strenuously opposed by the powerful dairy lobby.

CETA replaced by new training act

The Department of Labor (DOL) expects a smooth transition in the nation's employment training programs when the Comprehensive Employment and Training Act (CETA) expires on Sept. 30 and is replaced by the new Job Training and Partnership Act (JTPA). The JTPA, passed by Congress last year, inaugurates a new philosophy in job training that emphasizes putting the unskilled and unemployed to work rather than placing them in "dead-end" public service jobs.

The new program is designed primarily to assist individuals on welfare and disadvantaged youth who traditionally have not been able to find jobs in the private sector. The law also will benefit displaced workers—those who have lost their jobs permanently because of plant closings or reductions in the work force. About a million individuals are expected to be served by the program in the first year.

The Labor Department promises that the new $2.2 billion program will be "tremendously more efficient" than previous federal efforts. Under CETA, most of the money spent went toward public service jobs, whereas under JTPA no money will be spent on public jobs. Under the new program, about 70 cents of every dollar appropriated will go for training costs, compared to just 18 cents under CETA.

Much of the new program's success will be contingent upon local involvement of businesses. Private Industry Councils (PICs), composed primarily of business people, will administer funds at the local level and oversee job training programs. Nationwide, there will be nearly 600 PICs, and DOL will periodically evaluate them on the basis of the number of individuals that are placed in unsubsidized jobs and the post-training earning levels of program participants.

The local PICs will receive guidance and coordination from state governors' offices under a system of block grants. Local welfare and state employment service offices also will be involved in recruitment and placement of individuals.

DOL claims that, because of local involvement, its role will be reduced to oversight and enforcement of standards, which will be handled by roughly 1,000 fewer federal workers than were required for CETA.

General information about the new program can be obtained from NRA's Human Resources Department in Washington, DC.

Renewed funding likely for U.S. Travel and Tourism Administration

Legislation that could place the U.S. Travel and Tourism Administration (USTTA) on firm financial footing has passed the Senate and is pending in the House.

A bill introduced earlier this year by Sen. Larry Pressler (R-SD) would reauthorize USTTA over a three-year period, thus assuring that the beleaguered agency has adequate long-term funding. In the past, USTTA's very existence had been in question each year as the White House and Congress squabbled over funds for this tiny agency responsible for promoting the U.S. as a tourist destination.

In the last two years USTTA hasn't been funded at more than $8 million, though in FY 1979 the agency had a budget of $13 million. The Pressler bill, which passed the Senate in May, would bring spending authority back to $13 million in FY 1984, then raise it to $14 million in FY 1985 and to $15 million in FY 1986. An appropriations bill, which earmarks the actual funds, was passed by the Senate in late July, giving USTTA $12.8 million for FY 1984.

Generally, authorization bills are passed before appropriations bills, but in the House, an authorization measure identical to the Senate bill is pending, while an appropriations bill giving $10.1 million to USTTA has already passed. Tourism officials now hope that USTTA will end up with a budget closer to the Senate version.

In an interview earlier this year with *NRA NEWS*, Sen. Pressler noted that funding for tourism promotion has always been difficult to obtain because "people don't understand the importance of the tourism and travel industry. Whereas tourism creates jobs, new revenue, wealth, opportunities for minorities—all kinds of positive contributions—people think it will just happen.

"Why the U.S. continues to fail to see this industry's huge contribution to the economy is beyond me. This failure has cost us billions of dollars. Our share of the international tourism market has fallen from 13 percent in 1976 to 10.6 percent in 1982. We are talking about a loss of $11 billion over that period. Had this additional $11 billion come into the American economy it would have created tens of thousands of jobs and generated approximately $1.6 billion in federal, state and local tax revenues.

"I like to think of the USTTA reauthorization bill as really a jobs creation bill. Over $12.2 billion was pumped into our economy by foreign tourism trade last year, and the tourism industry directly created over 289,000 jobs. Approximately five percent of all American workers are now employed directly by the travel and tourism industry.

"With just a modest increase in effort, we could sharply reduce our trade deficit, increase employment and lower the federal deficit," Pressler said.

—Jay Morris

Sen. Larry Pressler (R-SD)

THE BOARD ROOM

NRA board organizes transition

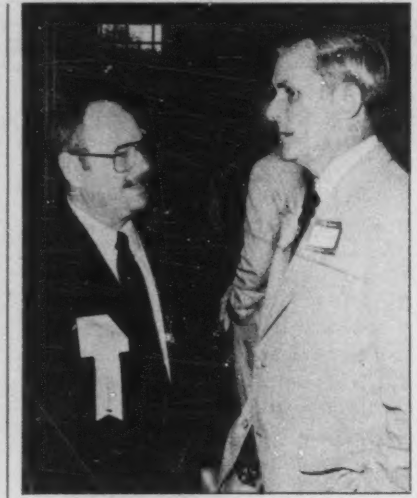
National Restaurant Association (NRA) President Joe R. Lee announced that NRA Executive Vice President Robert Neville will undertake a reduced work schedule at the recommendation of his doctor.

Lee said that he will chair a search committee which will begin looking for a new executive vice president immediately. Neville will retain full responsibility for the operation of NRA while the association seeks his successor.

"Bob Neville has assembled a remarkably cohesive and competent staff," Lee commented. "The NRA staff has functioned very effectively and efficiently under his direction. I am sure they will carry out all ongoing projects successfully despite Bob's curtailed schedule."

Lee also said that, following the appointment of a new executive vice president, Neville will be invited to serve as a consultant to guarantee a smooth transition.

Lee's announcement, which came during NRA's fall board meeting, was endorsed by the executive committee and the full board.



NRA President Joe Lee chats with congressman William Lipinski (D-IL) at NRA's "chef d'oeuvre" reception.

NRA board treats the 98th Congress to "chef d'oeuvre"

The board of directors of the National Restaurant Association hosted "chef d'oeuvre" a gala reception for the 98th Congress on Thursday, September 29, 1983, in the Cannon Office Building on Capitol Hill. A throng of an estimated 500 individuals, including Secretary of Health and Human Services Margaret Heckler and 211 senators and representatives, attended the affair. Some of Washington's finest restaurants donated their specialties for the occasion.

"Chef d'oeuvre" focused Congress' attention on NRA and the concerns of the $144 billion foodservice industry. Board members, on hand for the annual September meeting, took the occasion to visit the offices of their elected representatives on Capitol Hill. They discussed the problems that tip reporting had caused in their operations and tried to garner support for H.R. 3803, the Duncan-Jacobs bill that would amend the tip reporting provision included in the Tax Equity and Fiscal Responsibility Act of 1982.

During the weekend-long board meeting following "chef d'oeuvre" NRA's board decided to hold the fall meeting each year in Washington.

NRA and American Red Cross to aid disaster victims

The National Restaurant Association (NRA) has joined hands with the American National Red Cross to provide relief for victims of disasters. More than 2,800 local Red Cross chapters and state restaurant associations will be involved in these efforts.

Local Red Cross chapters will instruct key NRA members and staff in disaster relief policies and procedures. They will also provide training in canteen service for NRA-member employees and courses in first aid and cardiopulmonary resuscitation (CPR) as requested.

In the event of disaster, the involvement of NRA and its members will include providing for the utilization of restaurants as central feeding kitchens, the employment of personnel for preparing and serving food and the provision of feeding equipment for use in mobile field kitchens.

Copies of NRA's agreement with the American National Red Cross, which detail the role of the association and its members, will be available in the next few months.

—Dorothy Dee

Dr. John Henry Felix, NRA director and member of the American National Red Cross' Board of Governors, watches Red Cross President Richard F. Schubert sign an agreement committing both organizations to providing aid for disaster victims.

THE LAW

PROS & CONS of using the lie detector

Although many restaurant companies use polygraph (lie detector) tests to assist in initial employment selection and ongoing personnel administration, there is much doubt about the reliability of the polygraph and much controversy surrounding its use. Many states prohibit or restrict polygraph examinations (see chart), and restrictive federal legislation has been proposed.

What is the lie detector test?...

The polygraph is a machine that records several simultaneous physiological changes on a graph. Most modern machines consist of a pneumograph, a tube placed around the subject's chest to measure respiration; a cardiosphygmomanometer, an inflated rubber cup placed around the wrist or arm to measure blood pressure and pulse rate; and two electrodes attached to the hand. The electrodes measure galvanic skin response, or the flow of electric current across the skin, as an indication of perspiration. Responses from these three devices are collected by recording pins, which trace the reactions on graph paper. Sometimes, with more sophisticated equipment, two additional devices are employed (1) to record slight variations in muscle power and (2) to record contraction of the throat or voice muscle tension.

Problems with the polygraph...

The polygraph is not always reliable, however. Certain factors may invalidate polygraph test results, such as

- emotional tension (fear of false accusation or guilt feelings stemming from another offense)
- physiological abnormalities (high or low blood pressure, heart disease or respiratory disorders)
- mental abnormalities (low intelligence, psychosis or neurosis)
- the subject's conscious ability to control physiological responses
- drunkenness
- a lack of fear in willfully deceiving
- self-induced adrenal depression (physical exhaustion)
- the subject's ability to rationalize a crime in advance or
- poor operator training, which can cause misleading results from improperly posed questions or from incorrect conclusions from the measured responses.

> **"A skilled operator is absolutely essential to assure success of the polygraph."**

A skilled operator is absolutely necessary to ensure success of the polygraph machine as a lie detection technique. Although no uniform qualifications must now be met by polygraph operators, most experts in the field cite such factors as emotional stability, investigative experience and extensive polygraph training as required attributes. An unskilled operator who improperly prepares the subject for questioning, who uses direct accusations and who badgers or employs tricks, questions or surprise tactics in questioning the subject can invalidate the test results.

Why use the polygraph?...

Use of the polygraph in personnel administration within industry has come under rigorous attack, both as an unwarranted invasion of privacy and as a violation of constitutional rights. But there are strong arguments for its use.

One of the strongest is the expense of employing dishonest workers. Losses resulting from thefts from American businesses and industries total $30 to 40 billion annually, according to expert estimates. Authorities agree that 60 to 70 percent of that total is chargeable to employee-related theft (as opposed to theft by outsiders, such as burglars and shoplifters). Large corporations and small businesses alike usually can absorb theft losses only by raising prices. Thus they pass on a large part of the loss to the American public. But some operations are not that fortunate. The Small Business Administration estimates that theft is the principal cause of business failure in over 50 percent of bankruptcies.

The problem is aggravated by inadequate screening procedures. Most employers, fearing lawsuits, are reluctant to release derogatory information about former employees. Consequently, employers have come to put little faith in the traditional reference letters because they, themselves, refuse to be candid in responding when similar questionnaires reach their own desks.

Most police departments and the FBI do not make their criminal files available to the private employer nor do they have the manpower or the specialized abilities to delve into the intricacies of an employer's pilferage problems. Many companies have found that the so-called "background investigation" conducted by private agencies is often next to worthless and reveals little that is not already known to the employer. Such investigations are also particularly susceptible to being influenced by malicious neighbors, vindictive past employers or disgruntled former fellow workers. Such a procedure is clearly inadequate from the employer's standpoint and, equally important, is fraught with the danger of injustice to the job applicant.

Because of these hard realities, many employers have turned to the polygraph for screening job applicants and as an aid in internal investigations. It is interesting to note that over the past 20 years or so the use of the technique has increased in direct proportion to the rise in employee theft.

What supporters say. . .

Supporters of polygraph testing contend it has legitimate uses in industry. Recent statistics indicate that in one year alone more than one-and-one-half million polygraph tests were administered. The polygraph is used for pre-employment screening, the ongoing surveillance of a company's work force and the prevention of losses of cash and inventory.

In the area of pre-employment screening the polygraph assists in verifying the truthfulness of a prospective employee's job application. It helps answer the question: Does the applicant really possess the background and qualifications that he/she claims? It also can help screen-out potential thieves, aid in preventing fraudulent claims for insurance or disability benefits, help reduce employee turnover and prevent industrial espionage.

In the area of ongoing surveillance, the polygraph reduces an employer's cost in regard to the bonding of employees. It can be helpful in preventing theft and pilferage, and it may well assist in protecting the innocent from the guilty.

Legal limitations on the use of the polygraph. . .

As polygraph use has increased, so also has concern about the fairness of the examination and possible abuses of results. Any employer contemplating using the polygraph should consult state law for possible limitations on such use.

There are 20 states that in some manner restrict the use of the polygraph in matters of personnel administration. The table lists those states and indicates the limitations that prevail in each.

In addition, 21 states have laws providing for the licensing of polygraph operators: Alabama, Arizona, Arkansas, Florida, Georgia, Illinois, Kentucky, Massachusetts, Michigan, Mississippi, Nevada, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, Texas, Utah, Vermont and Virginia.

—Clyde L. Griffith

Polygraph Regulating Statutes

State, Statute and Date	**No employer may "(______)" any employee or prospective employee to take a polygraph examination . . .**
Alaska Ch. 36, Sec. 23, 10,037 1964	"request or suggest"
California Ch. 3, Art. 3, Par. 432.2 1963	"demand or require" (but may request or permit)
Connecticut Pub. Act 488 (after 1966)	"request or require"
Delaware Ch. 7, Title 19 Subchapter 1:705 1966	"require, request or suggest"
Hawaii Ch. 378 HRS.	"require"
Idaho Sec. 44-903-904	"require"
Maine Ch. 87 1979	"require, request or suggest"
Maryland Ch. 724, Par. 95 1966	"demand or require"
Massachusetts Ch. 797 1959, amended 1963	"subject or cause"
Michigan	Employer cannot discharge employee for refusal to take exam
Minnesota Sec. 181.73 1973	"request or require"
Montana 1974	"require"
Nebraska	"require" as a condition of employment; may ask if certain rules are followed.
Nevada	"Must advise" Employee has the right to refuse to take it if it incriminates or degrades. No questions referring to politics, religion, sex, or labor activities are permitted.
New Jersey Ch. 114, Sec. 1 1966	"influence, request or require"
Oregon Ch. 249 1963	"require" Refusal to take cannot be basis for denying or terminating employment.
Pennsylvania PlL. 782, Sec. 666.1 1969	"require"
Rhode Island Gen. Assembly Jan. 1964	"require, subject or cause"
Washington Code 49.44.120 1965, amended	"require"
Wisconsin 103.373 1973	"require" to administer to determine honesty

HOW TO

MOTIVATE HOURLY EMPLOYEES

by Toni Lydecker

Your cashier announced today that she's quitting next week, and it looks like the new fry cook is not going to work out. If this resembles your experience as a restaurant owner or manager, something is wrong. Though employee turnover has reached epidemic proportions of 300 percent in some parts of the industry, other companies lose less than 10 percent of their staff each year. What are they doing differently?

A high score on personnel retention can usually be traced to successful management techniques. Typically, managers skilled in retaining seasoned workers are found in the kitchen or service area, not in an office. They have a knack for praising an employee at the right moment, criticizing performance without lowering a person's self-esteem and motivating staff members to work cooperatively rather than competitively by helping them relate to the operation of the whole restaurant.

Cultivate the right style...

A restaurant's overall management style is as critical to retaining employees as the behavior of individual supervisors. Styles will vary widely, but all well-managed companies demonstrate honesty and fairness in their treatment of employees. When informed at once and given full details, employees will generally accept even an unpopular decision. Fairness means establishing company-wide policies for situations that come up frequently rather than judging them on a case-by-case basis.

Restaurants owned or run by more than one person, whether families or unrelated partners, should take particular care to be consistent in dealing with employees. The partners should reach agreement on basic principles and split up their responsibilities so that lines of authority are clear.

There are a variety of techniques restaurant owners and managers can use to motivate employees to stay on the job, such as attractive financial compensation and benefits, orientation and training programs, designing jobs for growth and innovative scheduling.

Money motivates...

"Income and job security are vital to the motivation of hourly employees," says Florence Berger, professor of human resources management in Cornell University's School of Hotel Management. Wages should not only be competitive with those offered by similar restaurants, but by law they must also be equitable internally. Workers performing the same job or jobs of comparable worth must be paid the same, regardless of race or sex.

Thus it is more advantageous for a restaurant to hire three good waitresses and pay them more than to employ four mediocre people. Similarly, an employee who accepts an extra duty should receive fair compensation; for instance, a pay raise is in order for a bartender who handles money, thereby eliminating the need for a cashier.

Linking raises to the mastery of competencies or to performance can motivate workers. A cook who receives a small wage increase after learning new baking or cutting techniques will believe that management values those skills. Another alternative is to set base wages for all employees and add on a set amount for each task performed correctly. Under such a system, a warewashing crew member might get three cents for each tray of dishes that goes through without breakage, while a wait–staff member who sells an extra dessert might get five cents. Performance criteria should be spelled out clearly, so that each employee can do his or her own recordkeeping.

Sensitivity to seasonal demands can also boost morale. The Yankee Silversmith in Wallingford, CT, found that its wait staff actually earned less in tips during special festivals for Mardi Gras and St. Patrick's Day because of confusion and congestion in the serving area. Now the restaurant rewards its staff on these occasions by giving them a straight commission on each drink sold.

> **“Fairness means establishing policies for situations that come up frequently”**

Good benefits are as important to many employees as their earnings from wages and tips. All permanent staff who have stayed a certain length of time should be entitled to sick and annual leave, as well as to standard benefits, such as health insurance, life insurance and a pension plan. Many companies increase their share of benefits the longer a worker has been on the job. Remember that part-time workers will appreciate the opportunity to participate in group programs, even if they must pay all costs themselves.

Get them off to the right start. . .

With thorough orientation and training, a new employee can perform assigned tasks with few mistakes from the very beginning. During the breaking in period, managers should allow extra time to work with the new person. They should also assign a coworker to answer questions and pro-

30 ways to motivate employees

1. Send every new employee a letter of welcome.

2. Write down company policies as they are made, and distribute them to all employees, along with loose-leaf binders for storage.

3. Plan the work schedule two, three or four months in advance rather than every week.

4. Give immediate feedback, whether positive or negative, on job performance.

5. "Rehire" employees periodically. Sit down with them. Go over achievements and problems. Set goals for the future.

6. Pay employees a base wage plus an additional amount each time a task is performed correctly.

7. Pay a greater proportion of health insurance, life insurance and pension benefits for employees who have worked longer for you.

8. Give a bonus or wage increase to an employee who saves you money by taking on an extra duty.

9. Put an extra $5 in each tip jar on an especially hectic day.

10. Reward useful employee ideas with cash or public praise.

11. Don't guess what employees are thinking. Take written surveys; hold meetings; talk to them individually.

12. Ask employees to take their vacations in several installments during the year rather than in one chunk (relaxed employees are more productive).

13. Promote from within. When employees lack the skills for a new job, help them gain the necessary qualifications.

14. Combine several different tasks to create a job with more variety.

15. Avoid reprimanding employees in front of customers.

16. Offer bonuses for perfect attendance.

17. Use preshift meetings, not only to convey information, but also to praise specific employees who have performed well.

18. Be firm, professional and consistent in disciplining workers for poor performance.

19. Consider offering employees a stock option or profit sharing plan.

20. Give the chef or cook a bonus for inventing a recipe that becomes a regular menu item.

21. Pay double wages during vacations to help cover loss in tips.

22. Offer part-time employees the chance to participate in group insurance programs, even if they must pay all or part of the premiums themselves.

23. Invite employees to sign up for a free course in customer relations, trends in food and wine, accounting and so forth.

24. Consider adding an alcohol abuse or health maintenance program to your benefits package.

25. Give an employee the day off on his or her birthday.

26. Include families in parties occasionally (they will be more sympathetic the next time the employee has to work late or on a weekend).

27. Help employees welcome in the New Year with a bonus based on the profits from the old year.

28. Give employees a half day off for Christmas shopping and an occasional afternoon off during the summer to go to the beach.

29. Encourage young people to save part of their earnings by starting a "thrift plan" under which the company matches worker contributions up to a certain point.

30. Train managers to motivate employees and reward them for good retention rates.

vide guidance when they are not available. Cross-training programs can help new employees understand how the entire operation works. At Charthouse, the largest franchisee of Burger King, trainees rotate from the fry station to food preparation to cash register operation to order taking until they have mastered every function.

Restaurants can stimulate the enthusiasm of all workers for their jobs by holding special in-house training sessions or paying costs for classes taken at local educational institutions. For example, a waiter who has learned the correct procedures for recommending, opening and serving wine is likely to sell more bottles to customers than one who is not trained.

Design jobs for growth...

Careful job design recognizes the need of every employee to learn and develop. Sometimes combining two or more diverse functions can result in a more appealing full-time job. For example, a worker might spend part of the day as a cashier and the remainder as host.

Under the team system adopted by some restaurants, a particularly efficient worker acts as leader, with responsibility for helping train and supervise several other workers. Not only does this person receive recognition through additional status and a pay raise, but also the other team members can aspire to become leaders through hard work.

Even a highly motivated person will not object to a somewhat tedious or repetitious job when it is the prelude to more demanding responsibilities. At Gatehouse Tavern, a restaurant of Drawbridge Inn in Fort Mitchell, KY, promoting employees is a tradition—most waiters started out as dishwashers and the managers typically began as cooks or hosts. "It builds cohesiveness when everyone works their way up through the ranks," says James Willman, director of operations.

What happens when an employee is simply not qualified for the position he or she wants? Managers should work with a staff member who has failed to land a given job so that he or she can make the grade the next time. A kitchen worker who wants to become a cashier, for example, could take accounting courses and gain customer relations experience by answering the telephone or relieving the host several times a week.

Be flexible when scheduling...

Long hours, a key reason for turnover in the restaurant industry, can be minimized but never eliminated. Don Gerald, manager of Ralph and Kacoo's (a small Louisiana restaurant chain), points out that managers set the tone. "Our employees work long hours, but they don't mind so much when they see the managers putting in 12-hour days."

> **"Link raises to the mastery of competencies or to performance"**

Some restaurants are experimenting with ways to make employees happier with their schedules. Scoler's Restaurant in Hartford, CT, hires its wait staff for a specific shift, so an employee knows from the beginning if he or she will be working nights or days.

Staffed mostly by high school and college students, the Gatehouse Tavern enables employees to plan for their exams and social events by writing the work schedule three times a year rather than weekly. One reward for this advance planning is a turnover rate of less than 10 percent.

Many managers try to be flexible in allowing employees to switch shifts even at the last minute. As Robert Atwood Meyer, president of the Yankee Silversmith, says, "Someone with two sick kids at home shouldn't be on the floor. It's not good for the employee and not good for the customer."

Consider contests...

Contests can boost employee morale *and* profits. To perk up the interest of bored workers, a manager could set up an informal competition with a restaurant down the road to see which one can sell the most fried chicken in a weekend. The stakes might be a keg of beer or free dinner at the losing restaurant.

The "Golden Check Award" is a more complicated contest invented by managers at Bullfeathers, a restaurant in Washington, DC. Over a four-month period, the wait staff was challenged to increase the check average by 40 cents through selling more "peripherals," such as wine, appetizers and desserts. The prizes included four days for two in the Bahamas, a color television, theater tickets and dinners at local restaurants. The increased profits more than covered the costs of the prizes, and about two-thirds of the staff continued to be more sales oriented even after the contest was over. Manager Michael Anderson cautions, however, that keeping score for such an elaborate contest can be hair raising and recommends the use of a computer for restaurants that own one.

Contests for managers can help indirectly to reduce the employee turnover rate. One company publicizes the retention rates of its district managers and awards a prize to the one who scores highest each month.

Give them the extra touch...

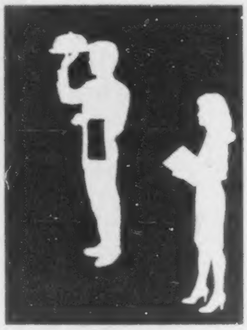
A sympathetic approach to the special needs of employees will earn their appreciation and loyalty. For example, a restaurant could help arrange transportation home for employees (particularly females) who would otherwise feel uncomfortable working the late shift. Another service might be gathering a resource file on local day-care facilities for the use of staff.

Increasingly, restaurants are discovering that a healthy, well-rounded employee is a productive employee. The Westin Hotel, Seattle, WA, has arranged for employees to receive a corporate membership rate when they join a nearby health club. Special activities also include a weight-loss contest against employees of other companies and a Five Hundred Mile Club for joggers. In addition, the hotel encourages an employee committee, the "fun squad," to plan social activities, such as the Christmas party and annual picnic.

Stop them on the way out...

You've done everything suggested in this article and your turnover is still high? Schedule exit interviews and find out why. Some managers omit this step because they fear unpleasant remarks, but an employee with a legitimate complaint may give valuable insight into how to improve employment conditions in your restaurant. ❑

CAUSES OF EMPLOYEE TURNOVER



Personnel experts maintain that 80 percent of the 10 million people hired each year accept jobs that are not suited for them. Applied to employee turnover in the foodservice industry, this is an actual cost of more than one billion dollars. Industry averages indicate that it costs several hundred dollars to recruit, select, place, train and separate a foodserver and substantially more to train a chef or a manager.

Suppose your restaurant operates at a five percent profit before taxes. If so, you need $20 in sales to compensate for every dollar lost to turnover. Therefore, a $300 cost in replacing one foodserver requires an additional $6,000 in sales just to break even.

Obviously, this cost represents waste. It is not recoverable. However, it certainly can be reduced or minimized. Employee turnover, like any other management problem, can be solved only when the causes are understood. Rarely is there one specific reason for worker separation. Usually there are several contributing factors. However, many operators never begin to understand the causes of turnover because they do not go beyond two common misconceptions.

Misconception 1. Excessive turnover is due entirely to exterior influences and conditions. For example, reasons typically given for employee turnover are the labor market, the type of applicant selected or the low wages paid by the industry. While these conditions may contribute to the problem, there are usually more important factors responsible for the separation that are controllable by management.

Misconception 2. The reason a worker gives for leaving is really the reason. Seldom is this the case. Usually the worker will give what (s)he perceives is an acceptable reason to supervisors or remaining employees. Often the worker is not aware of the real reason for his/her own leaving.

Specific causes of employee turnover. . .

There are some specific causes for employee turnover. These include

- *poor selection of personnel*: This is probably the greatest cause of employee turnover. Several recent studies have concluded that 50 percent to 80 percent of the workers in the United States are "mis-employed" or not suited by capability or interests for their jobs. Therefore, your selection procedures should receive top priority.
- *inadequate orientation and training*: About 50 percent of worker separations occur during the first 30 days of employment. It is important to give a new employee a sense of belonging.
- *inadequate and ineffective supervision*: When there is insufficient or poor supervision, workers flounder because they lack direction and purpose. They become indifferent and dissatisfield, and then they quit. Effective supervisors are concerned with employee growth and development on the job, maintain a relationship of working together and encourage the staff to voice opinions, problems and complaints. Such techniques build a sense of belonging.
- *wage inequities*: Worker complaints and resentments about wages are often not understood. The major source of wage dissatisfaction is not the wage rate itself but wage inequities—the failure to provide equal pay for equal work. For example, the "over pay" of a worker in a department causes far more resentment among employees than does the "under pay" of another worker.

Because pay is a symbol of social status in the work community, the worker who feels that (s)he is not equitably paid may become hostile and "walk off the job" without any explanation. In order to be fully productive and stay on the job, the worker must know that his/her pay is geared directly to his/her productivity and contributions to the success of the establishment. The pay system which "greases the wheel that squeaks the loudest" creates more hostility than any other management action.

It's also essential to remember that the equal pay for equal work right is protected by law. You can protect yourself against claims of inequity in pay rates by ensuring that you have complete and accurate job descriptions for all positions. Periodically, you also should check on the actual work performed by each employee to see that the work load is not exceeding the limits of the written job description. If the position has changed so much that the actual duties performed are beyond those contained in the job description, it's time to revise your job description. (For help in writing job specifications and job descriptions, see NRA's publication, *Profitable Foodservice Management Through Job Specifications and Job Descriptions, Series No. 1*.)

- *Lack of social identification*: The work community is a social community. To maintain group enthusiasm and teamwork, management must see to it that employees share some common work interests, purposes and goals. The worker who feels rejected by his/her associates will not remain long nor will (s)he be fully productive. So, in addition to matching the person with the job, you have a responsibility to match the person with his/her associates.
- *Petty irritants which cause workers to quit*: Managers tend to accept the theory that workers quit only for logical reasons. This is not true. The exit interview records of employee relations counselors reveal that more often than not the decision to quit is the culmination of a series of petty irritants.

Taken from exit interview records, here are some of the most common irritants which cause workers to quit, stated in the language of the employees.

a. "The boss doesn't know what's going on—neither does he care!"
b. "They don't need me."
c. "I refuse to work with a gang of hoodlums."
d. "I get all the dirty jobs."
e. "Too many cooks spoil the broth."
f. "The only way you get a raise around here is to find another job and then quit."
g. "That machine was worn out three years ago."
h. "Why can't the storeroom provide us with the materials and supplies we need?"
i. "The boss plays favorites. His pets can get away with murder."
j. "Everybody does just enough to get by—nobody cares anyway."
k. "Almost every day two or three fail to show up, and we have to do their work. It's unfair."
l. "You can't depend on a word he (the boss) says."
m. "Nobody ever tells you anything around here. You have to find out for yourself."
n. "If they would only put some more light in the kitchen."
o. "Appreciation for my work? Ha! Who cares?"
p. "They say we get free meals—but look at what we have to eat!"
q. "All that guy (manager) is interested in is money. He doesn't care about us or the customer either."
r. "No use asking the department head. She doesn't have an ounce of authority."
s. "Sixteen tons, and what do I get?"
t. "Why suggest? Who would listen?"
u. "That kitchen is a 'hell hole.' Why can't they air-condition it?"
v. "The busboys just loaf, and we (waitresses) have to do their work."
w. "Why can't the boss realize that we are not impressed with his temper tantrums?"
x. "Why doesn't somebody check the quality of meat we are getting? It's lousy!"
y. "I can't stand rude customers."
z. "If only somebody would show a little appreciation for our efforts."

Summary:

Such statements reflect common causes of worker dissatisfaction. Supervisors should get close enough to their workers as people to know what they are thinking and feeling and why. For example, in one large industrial plant, workers who planned to quit were required to report to counselors for exit interviews. After talking out their problems with skilled counselors, 40 percent of the "quitters" chose to remain on the job.

Editor's note: *This article was excerpted from NRA's nine-part series of pamphlets on profitable foodservice management. The nine manuals can be ordered as a set or individually. Set of nine: $36. Individual manuals: $4 each. For more information, contact NRa's Information Services and Library, 311 First St., N.W., Wahington, DC 20001. (800) 424-5156.*

Costs of employee turnover

The costs of employee turnover involve many variables, some of which are difficult to estimate. In general, however, there are two major categories of expenses: direct costs and indirect costs.

Direct costs

Direct costs are those costs that are easily measured. They usually involve the time spent by all staff involved in the separation and subsequent hiring as well as the costs of food, materials, supplies and services used. In general, the direct costs are

1. cost of hiring and training each new employee
    - the interviewer's time to interview the applicants plus time spent in completing forms
    - advertising expenses
    - cost of supervisors', instructors' and other employees' time spent in orientation and training of new employees
    - wages paid to the new employee in excess of his/her value to the operation; specifically, the time required by the new employee to learn the job and
    - poor performance and wasted food and supplies during the learning process
2. cost of overtime work required from regular employees to maintain required level of production and service while the new employee learns the job
3. production loss until the new employee is able to produce or perform at the required standard
    - maximum loss created by no replacement and
    - efficiency loss until a work group adjusts to a new member
4. loss of production due to accidents, which usually are more frequent for a new employee
5. expense of equipment and facilities that are not used during the training period and
6. increase in unemployment insurance premiums.

Indirect costs

Indirect costs are those that are hidden and, although intangible and impossible to compute accurately, can often be many times higher than direct costs. The indirect costs are

1. lost customers caused by the inferior quality of food and/or service (If you are understaffed because of employee turnover or are busy training new employees to replace those lost, it is very difficult to maintain quality standards. Also, keep in mind that every dissatisfied customer can discourage his friends and associates from dining at your establishment.)
2. low employee morale created by a worker while still employed but in the process of quitting
3. stress suffered by managerial and supervisory staff when there is a constant flow of separations and replacements and
4. remaining workers' built-in resistance to and resentment of new and untrained workers. (Obviously, this temporarily eliminates a cooperative effort by employees in your operation.)

PART-TIME WORKERS

YOU GET WHAT YOU EXPECT

by Bruce Raternik

Based on a presentation at the 1983 NRA Show

The assumption of many operators is that part-time workers are second-class citizens—younger, immature, uneducated, inexperienced, only in it for the money. And they treat them accordingly. If you take somebody who would normally be motivated and you treat them as if they're not, they'll lose any motivation they have. You'll get more productivity, more motivation, more interest and more caring from people if you expect it from them. This applies to selection, training and motivation.

Selection—hire part-timers...

If you want to hire part-time people, hire people who want to work part-time. Much of the turnover in part-time employees and the job dissatisfaction come from employees who want to work full time but said, "Well, I'll take part-time work and I'll be happy. I promise." And they're not. And you know they're not going to be. If you hire people who want part-time work, they're not going to be dissatisfied.

Talk about your expectations in the selection interview. Tell them you expect a commitment. Some managers I know fall into the mind-set that says, "Well, we're paying these people a minimum wage, so what do you expect for $3.35?" I know what I expect for $3.35—100 percent. I know that I'm probably lucky if sometimes I get 80, 85 or 90 percent, but I think if I set up the expectation of 100 percent, I'm going to get pretty close to it.

In the selection interview tell your part-time applicants, "I'm looking for someone who can come in here for two hours a day and be the spark that it takes to turn this place on and give customers the kind of service and the kind of food they want. Is that you?" You've got to ask questions to find out if they're your type of person.

Orientation—tell them about problems...

Now that you've got this wonderful, productive, motivated, enthusiastic spark hired, what are you going to do? Do you train them differently than you do your full-time staff? No. Everyone should start with the same orientation. They should learn the same things about the restaurant.

Tell your part-time help what they need to know and what some of the problems may be. Say, "Look, it's going to be awfully tough here because you come in at 11:30 and get off at 1:30. Those are our busiest times, and I'm probably not going to be able to spend much time talking to you. I really would like to. I would like to find out every day how things are going at school or what's happening at home. I'd really like to get to know you as a person, but we're not going to have that opportunity—not as much as I will with my full-time staff who are here during the slow periods." This way they know what to expect.

Moreover, many of us have a tendency to have one kind of personality when it's slow and everything is going smoothly all of the stations are stocked and the tables are all set and another kind of personality during the rush when we've got a couple of tables that need to be set, there are people waiting and a dish just broke. Part-time people are often there only when the grizzly comes out of the closet. So talk about it during the orientation. Say, "Look, there are times when it gets busy and I'm concerned because there are guests waiting. Sometimes my concern takes the form of yelling out orders. Don't take it personally."

Training—teach them how to do the job well...

After the orientation, make time for training. It makes me shudder to think that someone new walks on the floor at 11:30 and is put right to work. Schedule training time. Make sure you bring your part-time help in when there is time to train.

You pay for a training program whether you have one or not. If you don't have it, you're going to pay for it through increased costs, through lack of sales, through turned-off customers. If you do have it, you'll pay for it by putting the labor cost up front. It's going to be an investment rather than an expense.

So teach them how to do the job well. The first time you train someone you need to walk up and say, "Here is how I want you to be able to work this drink station." And you show them how to do it at a pace you expect them to maintain. Then you go through each step of the process slowly so they can learn. But their expectation will be to work the drink station the way you showed them initially. The trainer is conveying that confidence to them.

Feedback is important to smooth out the rough spots. Right at the end of the first day, ask, "How was today?" Tell your new part-timers they did a good job, and ask them if they found anything to be especially difficult. It gives them an opportunity to ask and learn instead of going home and thinking, "I don't think I'll ever get this."

Make your part-time help feel like insiders. Introduce them to your other workers during the first two weeks when they are apt to feel like misfits.

Tell your part-time workers about activities outside the restaurant, too. If your restaurant has a softball team that competes against other restaurants, part-time employees should have an opportunity to play. Participation in this type of activity builds teamwork.

Motivation—treat them like full-time staff...

To motivate part-time workers, treat them like full-time staff. Give them a compliment. Give them a chance to accomplish something.

Give them a complete job to do so they don't have to come back every time and say, "Okay, I've stuffed the napkin holders. What would you like me to do now?"

Be sure to say something positive every day. Make them feel important even if you only say, "Good morning, how are you today?"

Finally, talk to your part-time help. Ask them what it would take to get them really enthused. They'll tell you—and they'll love the attention. ❑

Older Workers

A ☆ GOLDEN RESOURCE

Nina Mayer works at a Denny's restaurant in Mt. Laurel, NJ. She is a waitress, and a good one. She loves her job, and it shows. People ask for her section. Managers praise her energy and stamina. No one seems to mind that she is 70. Nina herself thinks that being older is an advantage. After 35 years of waiting tables, she says she has picked up "a lot of little ways to work with customers." She also claims she is enjoying her work more than ever before since she now works because she wants to, not because she has to.

Nina Mayer has counterparts all over the country—energetic people who can't face the boredom of the carefree days of retirement. Restaurateurs are beginning to realize that these seniors are an untapped employment resource that should not be passed up. "As we look at the national age projections, we see a declining population and realize our opportunities lie with the talents of the older age groups," says Richard Martin, director of corporate affairs for Ponderosa System, Inc.

Donna Davies, director of restaurant personnel for Denny's Restaurants, agrees. Although the chain has always been open to hiring the elderly, in the last two years Denny's has begun looking at more part-time management opportunities for older people with management experience, many of whom want to work less than a 40-hour week. "As a company, we feel that these older workers have great experience to offer us," she maintains.

Other restaurateurs agree. More and more operators are beginning to realize that older people make exemplary restaurant workers. Words and phrases used to describe their work habits include "very conscientious, prompt, neat, cheerful, courteous, dependable, reliable, responsible, energetic, a valuable member of the team, well-liked by younger workers and appreciated by customers."

Young and old mix well together. . .

Older workers are team players, and they enjoy working with young people, often boosting their morale. "The relationship I have seen between younger and older crew members is really positive. The kids get along really well with older workers and benefit from their example. Older workers get a kick out of being with kids. They laugh with them, and this makes for a lot of fun and productivity," reports John Weir of Burger King.

Managers also can benefit from the knowledge that older workers bring to an operation if they are willing to pay attention, says Donna Davies of Denny's. Some older workers can make excellent managers. Mothers of grown children and grandchildren bring years of experience of working with teenagers and young adults. Retired military personnel are also well-organized and accustomed to delegating responsibility. Sometimes, Davies adds, retired military officers can be too rigid in their managerial styles, but this approach can be modified with minimal training.

Besides the knowledge and positive attitude they bring to restaurants, older workers also can fill in scheduling gaps. Denny Lynch, public relations director for Wendy's International, counts on older workers when students are in class during the school year. "Since older people are primarily interested in working day-time hours, they fill a great need for us. And since we are willing to set up a flexible schedule with them—even as little as two hours a day—their needs are met as well," he says.

Problems can be solved...

Restaurateurs may be leery of hiring older people because of the physical strain found in foodservice work or because of the hours involved, but there are ways of working around these issues. "If we have an employee who's doing a valuable job for us and he or she has a problem lifting bus tubs or whatever, there is always someone around who can help. We encourage a team approach," says Davies of Denny's. Other operators agree that small problems are easy to work around. Older people may take a little longer to learn how to work with some of the new technology, such as the computerized cash registers, but their consistent attention to detail more than makes up for this slowness. For example, they rarely forget to put a straw in a bag with a drink. "It's been a good trade-off for us," acknowledges Weir of Burger King.

6 REASONS TO HIRE OLDER OR RETIRED WORKERS

1) Retired people appreciate the job for the sake of the job—not the money or the prestige. They want to be with people and to feel they are useful.

2) Older people have a well-deserved reputation for being prompt, courteous, detail-oriented, sanitation-oriented, reliable and dependable workers.

3) Retired people, with their admirable work habits, set an excellent example for younger workers to follow.

4) The presence of older workers broadens the appeal of an establishment.

5) Retired people are not likely to quit their job to go back to school or to get married.

6) Some retired people—especially retired military personnel and women whose children are grown—make excellent managers due to their experience of working with teenagers and young adults.

Older workers broaden restaurant's appeal...

What about the customers? They, too, enjoy the vitality, energy and caring older workers bring to the job. Some franchisees have also found that by employing older workers they are telling their patrons "this restaurant is not just for kids."

Recruiting older people is not as difficult as it seems. There are ways to get the word out to older people that you want their services. Here are some ideas.

1) Use careful wording in your help-wanted ads. Clearly indicate that older people are welcome.

2) Inform local agencies for the aged of openings in your establishment.

3) Place notices of job openings on the bulletin boards of your community churches and synagogues.

4) Encourage older workers to spread the word about job opportunities among their contemporaries.

5) Inform military placement centers of job openings.

"I really love being with people"...

As mentioned, older workers have a lot of expertise to offer restaurants and that is the main reason for hiring them. But there is also another reason. Retired people are working because they want to. They want to share themselves with others and to remain a part of society. They want to be useful.

As Nina Mayer remarks, "People are always asking me, 'Why are you still working?' like they think I'm ready for the rocking chair . . . You know, I think if I stopped working I'd just go to pieces. For one thing, I really love being with people."

—Carol Caprione ❑

Customize your Benefits Package

NRA Report—Executive Compensation and Benefits

Salaries, bonuses, incentives, profit sharing as well as other benefits are what foodservice executives look for when considering a job change. NRA's *Executive Compensation and Benefits in the Foodservice Industry* report details all this information and more for 29 positions in foodservice management. Benefit information is categorized by restaurant type, organization, ownership and sales volume. You'll find out how your programs compare with others in the industry and what you may want to do to make them more attractive. CS155; $12.50 NRA Members; $25.00 non-members.

NRA Report—Hourly Employees' Benefits

The cost of constantly training new hourly employees can really bite into your revenue. Put a stop to high turnover now by designing a competitive benefits package that will make your employees satisfied with their jobs and keep them from moving on. *A Foodservice Operator's Guide to Benefit Planning for Hourly Wage Employees* focuses on 16 different benefit programs including meals, uniforms, vacation pay and profit sharing. Keeping ahead of your competition starts with your employees. Make the investment now. CS205; $12.50 NRA members; $25.00 non-members

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NUTRITION AND THE AMERICAN RESTAURANT

by Patricia B. Kelley
Director of Communications,
Public Voice

This is the first of a five-part series on nutrition programs in American restaurants. Future issues will discuss how to start a nutrition program, how to follow the American Heart Association model, how to train your wait staff and how to promote nutrition in and out of the restaurant.

Across the country, nutrition and the American restaurant are finding each other.

Spurred by the rising health consciousness of consumers as well as the new social and economic importance consumers are attaching to food and exercise, restaurateurs are finding new ingredients, new cooking styles, new ways to communicate about food, and new markets.

For these restaurateurs, the public's emerging interest in healthier dining-out clearly has become an opportunity. For many other operators, however, nutrition still remains a challenge.

New report examines actual nutrition programs. . .

How do you communicate with customers about healthier food?

What is a nutrition program?

What kind might work for you?

How do you get started?

A major new report, *Nutrition and the American Restaurant*, answers these key questions. Prepared and published by a national consumer organization, Public Voice for Food and Health Policy, in cooperation with American Express (The American Express Foundation and the American Express Travel Related Services Company), the report presents a series of case studies of actual nutrition programs initiated and carried out by a variety of American restaurants.*

Through a series of case studies conducted in Los Angeles, San Francisco, Chicago, Philadelphia and Washington, DC, the report considers all sectors of the restaurant community—from upscale dining to contract foodservices—that have joined the new nutrition movement. It pays special attention to the efforts of the vast middle ground of low-medium to upper-medium priced eating places where 60 percent of the away-from-home food dollar is spent.

The report shows that

1. there is a trend developing among consumers to look for lighter nutritious food when eating out
2. restaurants of all kinds have responded to this need with a range of innovative efforts and
3. the success of these efforts points to a strong market for more emphasis on nutrition in more restaurants.

The report also outlines a step-by-step approach for starting your own nutrition program.

There's a need: Why consumers are more health-conscious. . .

Extensive research during the past decade has closely linked diet and health. An emerging scientific consensus has shown diet to be a factor in every major disease that afflicts Americans. Heart disease and conditions that lead to it, such as hypertension and obesity, as well as diabetes and some cancers, all relate in some way to dietary intake. In 1978 the U.S. government responded to these findings by publishing a set of dietary guidelines that suggest healthful eating habits (see August issue of the *NRA NEWS* for more detail).

In general, these guidelines translate into a diet that, for most Americans, means an increase in fresh fruits and vegetables as well as grains, more fish and poultry, less or leaner red meat

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**Nutrition and the American Restaurant* is available for $25 from Public Voice for Food and Health Policy, Suite 519, 1001 Connecticut Avenue, N.W., Washington, DC 20036.

and fewer processed foods that contain high levels of salt, fat or sugar. It means lower-fat dairy products. And it means foods that are prepared more simply—roasted, baked or grilled rather than deep-fat fried, for example; and served with fewer fatty, salty sauces. These changes also mean fewer calories.

As Americans have become increasingly aware of the linkages between diet and health, they have begun to examine their diets and seek to eat more healthfully. In effect they are following many of these guidelines. Their concerns and efforts are extending to food that is eaten away from home as well as food that is purchased and prepared by consumers at home.

At the same time, consumer leaders, whose diet and health concerns have focused on food production, processing and retailing, have begun to look at food eaten away from home as an integral part of America's food system and, therefore, its dietary framework.

The reasons are obvious: Consumers are eating out in increasing numbers. They are spending a bigger portion of their food dollars in restaurants on meals that comprise a growing percentage of their diet.

These factors are clear not only to consumers but also to restaurateurs who have begun to recognize the marketing value of offering healthful alternatives. As a result, a growing number of restaurants across the country have introduced and experimented with a variety of nutrition and health-oriented efforts that reflect the precepts of this growing movement.

Who is doing what?. . .

Nutrition and the American Restaurant examines three kinds of restaurant nutrition efforts

1. the individualized approaches of the smaller, independently-owned restaurants
2. the more structured efforts of the institutionalized health programs, such as the American Heart Association and
3. the comprehensive programs of hotel restaurants.

These three kinds of efforts generally comprise the range of restaurant programs that are part of the new nutrition movement. In its own way, each represents a different aspect of that movement.

1. Independent initiatives

From the smaller, privately owned and, therefore, very personalized restaurants across America come some of the earliest and most creative efforts to help consumers dine out healthfully.

These operations clearly are trendsetters. Their focus is fixed on twin goals: fresh, healthful food and simpler, lighter, more imaginative preparation.

In the spirit of the precepts of the U.S. dietary guidelines, these restaurants, like others, are reducing fat primarily, and sugar and salt secondarily. But these "big three" macronutrients do not receive the only attention. An increasing number of restaurateurs are concerned about freshness of the food they serve.

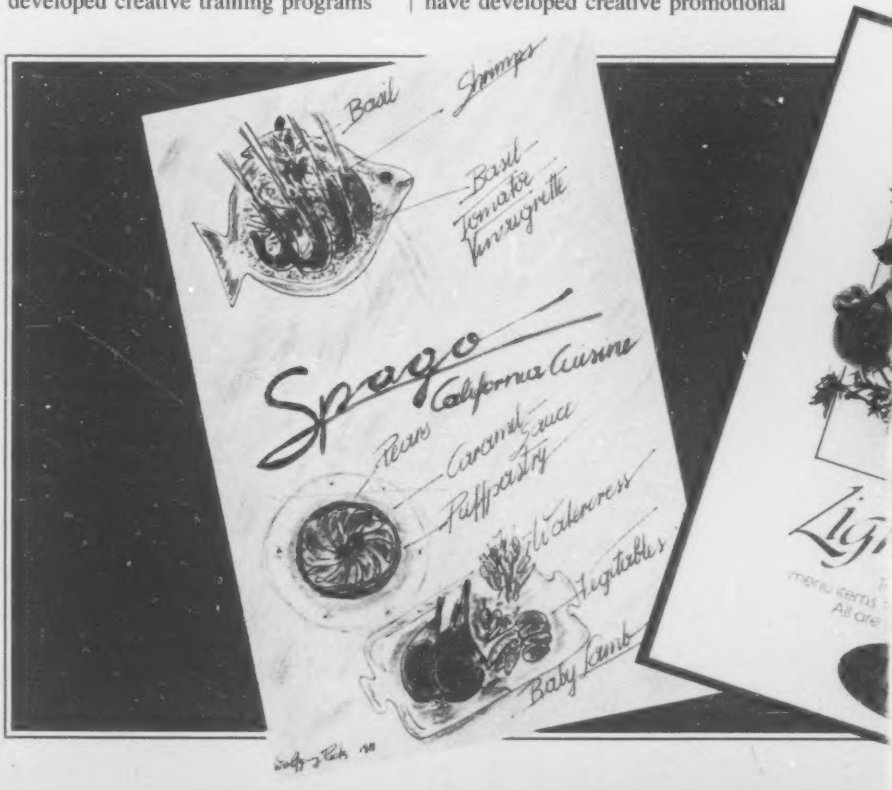
Given their dependence on fresh, healthy, quality food and skillful handling in the kitchen, it is not surprising that the problems most commonly faced by these independent restaurants are access to the kind of food they want, and a variety of kitchen obstacles—from chef training to more space. Some of the independents have developed creative training programs to help their staffs communicate effectively with patrons.

2. Special diet and health programs

Perhaps the simplest, certainly the most common, nutrition-oriented effort by restaurants has been to offer one or more entrees that follow a special diet plan. In the past, such a plan almost always has focused on weight reduction. In today's health-conscious climate, that is no longer true. Diet program goals include not only weight reduction but also disease prevention, health promotion and maintenance, fitness, fun and other objectives.

Prominent among the diet plans for restaurants are the national "Creative Cuisine" program of the American Heart Association (AHA) and assorted efforts by restaurateurs to adapt dishes that meet the Pritikin Diet plan. Other, more scattered restaurant efforts have used Weight Watchers and Scarsdale plans as guides.

The "Creative Cuisine" program has become a model in information and promotion as well as nutritious offerings. The American Heart Association has developed a range of materials that includes pamphlets, table tents, window decals and consumer guides in addition to variations of menu treatments. Various AHA chapters also have developed creative promotional



Spago in Los Angeles, CA and Stouffer Hotels in Solon, OH are among the major case studies presented in the *Nutrition and the American Restaurant* report.

efforts for the program. (See the next [November] issue of the *NRA NEWS* for more information.)

The institutionalized diet efforts are popular among restaurants in general because they are already there: They are relatively easy to adapt and promote and, in the case of "Creative Cuisine," they convey important credibility to the restaurant's program. Nonetheless, there are guidelines to follow and clearly defined changes to make.

3. The comprehensive program of hotel restaurants

Hotel restaurants, as a group, are in the forefront of implementing health-conscious menu items and nutrition information programs. Since the fall of 1982, at least three major hotel chains have joined the group of hostelries seeking to "serve nutritious."

No doubt the traveling business person is a key force behind the changes. Hotels serve great numbers of executives who are concerned about weight, health and fitness. When travel demands they eat out frequently, business people ask more from the eating places they frequent.

And hotel restaurants have responded in a variety of creative ways. Across the country, the large chains and the independent hotels are revising their menus and publishing attractive materials to respond to their patrons' growing preferences for low-fat, low-calorie, low-salt options. Some, like the Marriott and Fairmont Hotel chains, have joined forces with established diet program groups, such as the American Heart Association, to adapt an approach from an existing set of diet guidelines.

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Others have sought assistance from the medical community. The chef of the Ambassador Grill in New York's East Side United Nations Plaza Hotel used Menu Manhattan, a dietary plan developed by the Mahoney Institute of the American Health Foundation, to develop low-fat, low-calorie lunch menus. The Hotel Hershey chef in Hershey, PA, worked with the Milton S. Hershey Medical Center to plan its "Hearts and Calories" menu.

Still others have worked out their own nutrition programs. Stouffer's Hotel chain borrowed the extensive resources of their food manufacturing arm to plan their "Light & Lean" menus. Hilton began early with a promotional approach to nutrition, launching joint efforts with their food distributors for larger programs. In early 1984, Hilton will launch a new phase of its ongoing "Fitness First" program.

While a low-calorie approach, usually to luncheon menus, is the most popular trend, some hotels have incorporated fitness materials and additional health information into their programs. Others are thinking ahead to dinner time in their fancier restaurants, an area still largely untouched by current nutrition programs.

There's a market: Healthier food is good for business...

Out of 22 restaurants featured as case studies in the Public Voice report, 20 have maintained and expanded their nutrition programs because of proven customer interest as evidenced by high sales and positive marketing results. (The other two restaurants, located in private clubs, altered their programs to meet specific needs of their members.)

In all 20 cases, the restaurant owners said their nutrition programs had attracted new patrons—in some cases, an entirely new clientele—to their restaurants. Many said their nutrition efforts had drawn a large number of repeat customers, patrons who eat at the restaurants two to three times per week.

Some examples illustrate this marketing potential.

- At the Riverfront Restaurant in Philadelphia, PA, the Pritikin Diet entree is ordered by an average of 50 patrons a day, the same number of orders taken for the restaurant's most popular entree from their regular menu.
- The American Cafe in Washington, DC, which serves natural, fresh salads and sandwiches, has expanded from one to four locations in the past several years.
- At the Parsippany Hilton Hotel in NJ, the items in a "Health Favorites" section of the menu sold two-to-one over the other dishes, including traditional salads and heartier entrees.
- In its first year, Spago in Los Angeles, CA, grossed $1 million and added 35 seats in a heated tent to take care of the overflow from its 100 seats. All the restaurant's food, emphasizing natural ingredients, is cooked simply.
- The Hilton Hotel chain, during a two-week promotion of its nutritious "tootsie salad," sold 470 salads at the Waldorf Astoria in New York City, far beyond its projections. Hilton's 1980 "Fitness First" promotion of low-caloric luncheon items was so popular, the chain put several of the low-cal entrees on its regular coffee shop menu. These entrees, in turn, have proved to be so successful that Hilton is now planning the second phase of its Fitness First program.

How do you get started?...

Nutrition and the American Restaurant suggests six basic steps for restaurants to consider in launching a nutrition program.

1. Know your patrons and their growing preference for food options that are lower in fat, salt, sugar and calories.

Many consumers ascribe to the principles of the U.S. Dietary Guidelines and want restaurants to offer more nutritious fare. They want dishes that give them options of less fat, less salt, less sugar and fewer calories. They want information that helps them identify those dishes and sort out those options. Beyond this, consumers' nutrition needs can differ by location, age, meal time or special dietary considerations. Restaurateurs must be aware of these specific distinctions as well as the general pattern of consumer needs.

2. Offer nutritious dishes that include fresh, quality ingredients—simply prepared.

The report presents a number of suggestions for obtaining fresh ingredients locally, from locating small growers as new sources and ways to grow your own produce to linkages with responsive distributors. Likewise, the principles of simple, natural food preparation are spelled out by several chefs.

But there is ample guidance available for restaurateurs who may not be chefs or avid growers and searchers. Basic nutritious offerings that follow the dietary guidelines are listed in the U.S. Department of Agriculture's "Ideas for better eating: Menus and recipes to make use of the dietary guidelines." The lists of fruits, vegetables, grain products, dairy products, fats and oils and other options could guide a restaurateur seeking clear information about alternative ingredients.

Restaurateurs also can seek the expertise of outside advisors, from the American Heart Association, whose "Creative Cuisine" program offers guidance; to medical center staff, some commodity groups, and, of course, the National Restaurant Association.

3. Provide useful information about your food offerings.

Some consumers like general information, such as menus with

a) sections or indicators for "light" fare or references to the U.S. dietary guidelines

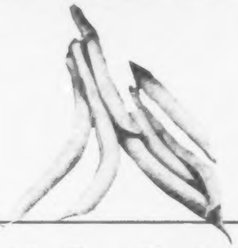
b) invitations to request more specific information from the waiter (i.e., "Ask your waiter how we can prepare this dish without salt or fat . . .") and

c) descriptions of cooking techniques that convey nutrition information (i.e., "broiled without butter; garnished with lemon and herbs").

Consumers have begun to look to the restaurant's wait staff as a reliable source of nutrition information. Especially—but not solely—in upscale restaurants, consumers expect waiters and waitresses to be able to answer questions about ingredients and preparation; even to initiate these discussions if consumers indicate their interest.

Restaurants don't necessarily have to develop information materials themselves. Programs such as the American Heart Association's "Creative Cuisine" provide a range of materials, usually free of charge. Restaurants also can join efforts with other health or food groups to produce joint materials.

> **"In all 20 cases, the restaurant owners said their nutrition programs had attracted new patrons—in some cases, an entirely new clientele—to their restaurants."**



4. Promote your offerings as well as your total program.

Consumers encourage and support innovative advertising efforts that focus on restaurant nutrition programs. They also recommend that restaurants promote their nutritious offerings through the menu. These efforts have a dual purpose: They promote the dishes and build awareness of nutrition.

5. Include your entire staff in the program effort, the kitchen staff as well as the waiters.

The effective programs studied in this report were "total" programs; they reflected a philosophy or approach from the owner that was carried through to the busboys. Restaurateurs—and consumers—say this is a critical component of a nutrition program. Information on the menu doesn't count for much if the chef isn't aware of it, or the waiter doesn't know what it means, or if either—or both—are reluctant to follow through with the requested dish or the proper service. This kind of total approach also makes an important statement to consumers. It says, "This restaurant cares; it is responsive to your needs."

6. Include consumers in the evaluation and planning for ongoing and future nutrition programs.

More restaurants need to follow the lead of the American Cafe, which surveys consumers on new entrees before they are put on the regular menu and even has hosted "tasting" parties for small groups of patrons. The wait staff can play a key role in this feedback process, if that role is supported by restaurant policy.

A final word. . .

Clearly the task of providing food—the primary role of restaurants—has taken on a new importance during the past decade. Increasing consumer spending at restaurants combined with the rising consciousness among Americans about the relationship between diet and health has created a new responsibility as well as a new market for restaurateurs.

Participating restaurants

These restaurants are among the major case studies presented in the *Nutrition and the American Restaurant* report:

Independent Initiatives
- American Cafe (Washington, DC)
- Bloodroot (Bridgeport, CT)
- Chapman Sisters Calorie Counter (Chicago, IL)
- Chez Panisse (Berkeley, CA)
- El Taco Grande (Philadelphia, PA)
- Greens (San Francisco, CA)
- Jerome's Fresh Food Restaurant (Chicago, IL)
- Jonathan's (Chicago, IL)
- Nora (Washington, DC)
- Santa Fe Bar & Grill (Berkeley, CA)
- Spago (Los Angeles, CA)

Special Diets and Health Programs
- Hu-Nan (Philadelphia, PA)
- Hungry Tiger (Los Angeles, CA)
- Madame Wu's Garden (Santa Monica, CA)
- Riverfront Restaurant (Philadelphia, PA)

Hotel Restaurants and Private Clubs
- Hilton Hotels Corporation (Beverly Hills, CA)
- Jock's Bar & Grill, Lakeshore Centre (Chicago, IL)
- Marriott Corporation (Washington, DC)
- Stouffer Hotels (Solon, OH)
- Whitehall Club (Chicago, IL)

Other examples include fast food chains and contract dining services.

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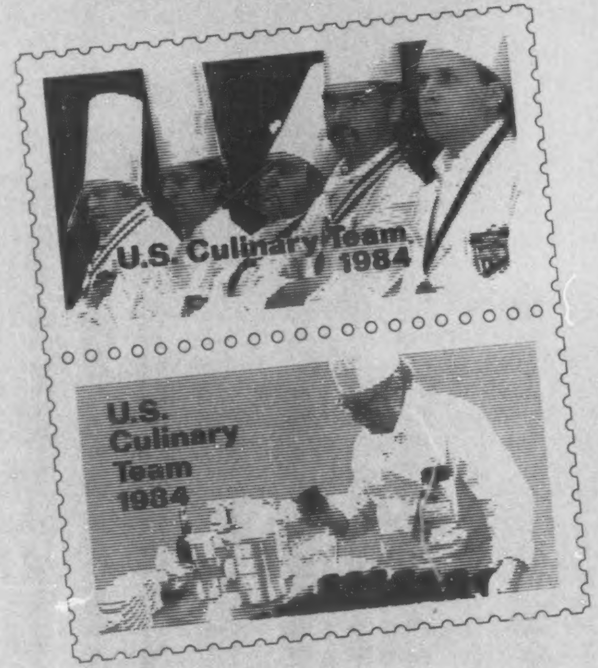

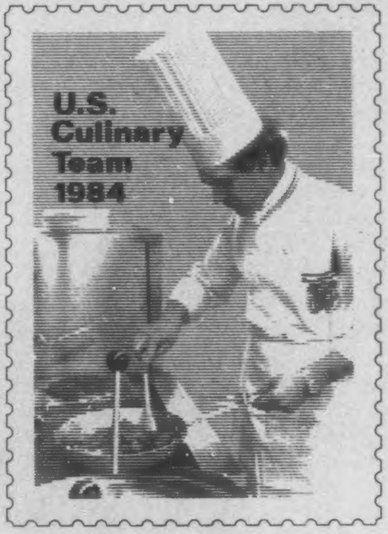

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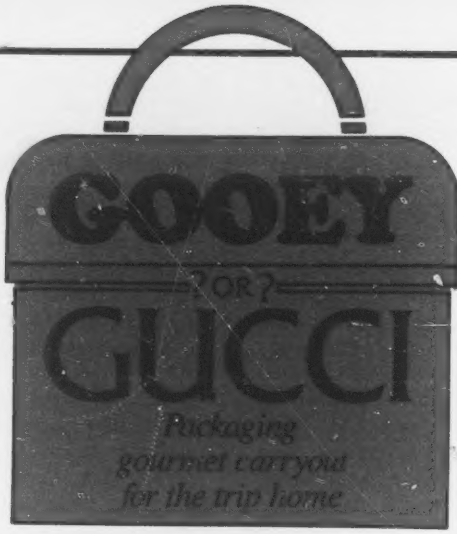


GOOEY ?OR? GUCCI

Packaging gourmet carryout for the trip home

by
Joseph M.
Aquila, Jr.

Customers of the Manhattan gourmet carryout "Out of the Woods" proudly display the "Woods" package on their desk or carry it prominently as they walk down the streets of the garment district. Across the country in Kensington, CA, Narsai's has resurrected the old-fashioned lunch box for its patrons, redesigning the prototype so it can hold a drink or a small bottle of wine.

From coast to coast, owners of gourmet carryouts, many of them spin-off operations from established restaurants, have taken a long, hard look at their packaging needs. They have discovered that it is not easy to find functional and attractive wrappers for their finely prepared foods. And many of them have gone to great lengths to customize their packaging.

Why this bother? The people who shop at gourmet take-outs are well-to-do, concerned with quality, image and style. Used to the sleek packaging of department stores and specialty shops, they expect the same from fashionable food establishments. How to meet this expectation is a continuing dilemma for many operators who already spend, on average, between five to 10 percent of their sales dollar on packaging.

No one will argue that a package can cost too much, especially in view of the small quantities which are normally ordered. But packaging cannot cost too much if it is seen as part of the overall marketing strategy. Many take-outs have recognized that packaging does not simply serve as an advertisement but also as a catalyst in creating the right "atmosphere." When a customer sits in a restaurant, the surroundings are constantly influencing him. When the meal is consumed elsewhere, the package must perform this task.

Surviving the trip home...

The ideal packaging for gourmet carryout is both functional and stylish. It can survive the trip across town or just across the street without breakage and leakage, assuming that the contents look good at the other end. The moment the gazpacho begins to leak onto a customer's suit or desk, the gourmet shop has failed. Leaky soups, slumped over napoleons and mangled croissants do not build repeat sales.

Once it gets home or to the office the package must be able to withstand handling, including refrigeration and heating. Microwaves and ovens place various demands on packages, particularly in the areas of strength and durability.

Individual shops have individual needs. According to co-owner Hans Bachler, New York's Out of the Woods, the take-out arm of the white tablecloth restaurant, Woods, does not use microwaves nor do most of their customers. But many shops like Fete Accompli (Washington, DC) and Narsai's (Kensington, CA) find just the opposite. Their customers often ask for paper entree trays to reheat the fare in the microwave. Although the paper tray serves this purpose, it still exhibits a tendency to leak or become soggy, admit many owners.

An answer to this dilemma might be found in foil. At Reynolds Metals a spokesperson said there is a basic misconception regarding foil containers and microwaves. Foil pans which have a depth of one inch or less can be used successfully in a microwave. The only problem with foil is its appearance. Unless it is customized in some manner it does not meet the aesthetic standards for the gourmet take-out.

A polished look...

The subliminal message a package conveys is the shop's chief source of advertising. Unanimously, gourmet take-out owners emphasize the need for a polished look. Coordinated colors, creative design applications and consistent quality in materials are all important ingredients. According to Steve Poses, owner of the Commissary (Philadelphia, PA), "When selling an item as a take-out that is also available in a restaurant, the packaging is extremely important. A customer that is willing to pay $15 for a veal dish in a restaurant may be reluctant to spend $10 or $11 for the same item on a plastic dish."

While there may not be a typical gourmet take-out look, generally most shops strive for a classic appearance. Moveable Feast (Washington, DC) owner Stacey Delanoe relies on a classic traditional white for dishes and flatware and avoids ornamentation. Standard with many other shops as well is a white, laminated paper entree tray with a clear or paper-formed lid. Because of its strength and reheating properties, foil is also used extensively, especially for bulk orders, but operators wish there was a more attractive alternative. Styrofoam is rarely used. Most operators admit there is still an unmet need for an attractive and sturdy entree dish.

For salad and many other side dishes, clear plastic containers with lids are used extensively. These see-through containers are especially popular to show off a specialty, colorful dishes and for any prepackaged items in a display case. While most gourmet carryouts usually put their logos on these packages—sometimes also on instructions for preparation—others, like Out of the Woods, prefer to concentrate on the outer package for their merchandising.

Customized products are the norm for paper accessories. Everything from labels and bags to napkins and placemats are coordinated to achieve a cohesive, professional look. Maggie Mah of Narsai's has learned from experience that she must spend considerable time controlling the quality of printing. Her advice is to shop around for a printer or supplier that can assure consistency in quality.

Even the best of printers, however, make mistakes. For example, Mah recalls that one Christmas the labels from a signature jar of mustard kept falling off because the wrong side of the paper had been used for printing. One way to circumvent such a disaster is to build in extra lead time for unexpected last-minute changes.

Many Out of the Woods lunches are delivered by a Woods employee who sets up the meal for the customer. The presentation is done with a flourish. A box containing the lunch sits atop a tray and placemat. The delivery person removes the entree from the box and places it on the tray. Utensils, wipes and glassware are also arranged.

The search for the right package...

The search for the right package begins—and only sometimes ends—with the local distributor. Since manufacturers rarely deal with small firms directly, many gourmet shops feel they are at the mercy of the distributor. Large minimum orders and long turnaround time can further discourage the gourmet take-out operator. Limited storage areas make orders of 50,000 seem ludicrous. Narsai's, for example, is forced to order a full year's supply of jars at one time and must store them in a warehouse because there isn't enough room on the premises. Large orders with staggered deliveries are one possible solution, but this is not always possible.

Even when operators are willing to buy more than they need at a time, they have a hard time getting what they want. According to Stacey Delanoe of the Moveable Feast, sales people are not trained to sell quality. "I don't want little people on my cups or spoons. I want a simple design that looks good," she laments. "We all seem to be saying the same thing, but none of the distributors are listening."

To show the extent that some owners must go, Hans Bachler (Woods) has taken catalogs which he collected at trade shows, complete with serial numbers and order sheets, to his distributor. Steve Poses agrees the effort is tremendous, "but it's like anything; the harder you work at it, the more you'll find."

Manufacturers recognize the growth of the gourmet take-out segment, but don't consider it substantial enough to warrant special exception to simple manufacturing economics. "A lot of these firms want to put on mink coats," said Maryland Cup Vice President of Restaurant Accounts Jack Howard, "but they have to be realistic. We market 4,000 items. It's hard to believe there isn't something that will suit their needs."

Operators view it differently. Many standard packages are simply not suitable, they say, because they were not designed with gourmet products in mind. For example, Narsai's found it difficult to locate a cake box that would fit their gateaus. So they went to the expense of designing a custom-made box.

Despite these obstacles, many gourmet shops are solving their packaging problems themselves by working with their distributors, using contacts from other similar shops and banking on their own ingenuity and foresight.

Before you begin

7 packaging pointers

If you are considering gourmet carryout, here are some things you should do before you begin.

☐ After determining your product mix, visit comparable shops for ideas. Even an out-of-town trip can be worth it.

☐ Attend conventions or food shows for ideas on packaging to adapt to your products.

☐ Make your distributor salesman work for you. Collect samples.

☐ Get estimates for inventories. One establishment orders containers weekly but bags and boxes once a year with staggered deliveries.

☐ If you need a customized product, contact a graphic artist early. Sometimes the artist can give specs for special containers. Also, some manufacturers have designers on staff that are very experienced in this field. But you should count on one to three months lead time before the finished product is in your door.

☐ Think the packaging process through. One establishment found that one of its boxes did not fit into any bag.

☐ Before you start a full-fledged take-out operation, test your market by selling house specialties, such as sauces, salad dressings or desserts.

Three creative solutions...

At Narsai's the old-fashioned lunch box has been resurrected. Working with Container Corporation of America, they designed a folding box that has a plastic handle. It will hold a drink or small bottle of wine. While the cost is 68¢ per box, volume has justified its expense. Furthermore, the box brings instant recognition.

Proof of the Pudding (Atlanta, GA) owner Kay Goldstein also updated the traditional lunch box. After a lengthy search, she found a plastics manufacturer who helped her design a clear plastic lunch box. The container has several compartments and, when closed, is tied with an elastic ribbon. Flatware and napkin can be inserted into its side, and the boxes can be stacked and carried in large bags to parks. A label on the outside identifies the restaurant.

Out of the Woods (New York, NY) recently broadened its take-out customer base by introducing a "bag lunch." Out of the Woods offers a sandwich (wrapped in a striped foil), fruit and dessert with napkins, wipes and drinks. All these items are inserted into a high quality 7" × 9" bag that is both attractive and re-usable. Woods custom-prints these bags. The cost to Woods is 85 cents per bag.

What's ahead?...

In the shortterm, there seem to be few easy answers. The search for the ideal packaging continues, but as the numbers of gourmet take-outs increase, manufacturers may be more willing to listen to operator demands and experiment with new materials.

In the meantime, cooperative pooling of resources has helped some operators and can be one way to cut down on the quantities ordered by individual operations. For example, when Gretchen Mathers of Gretchen's, Of Course in Seattle, WA, heard of the lunch boxes that Kay Goldstein designed for Proof of the Pudding, she contacted the manufacturer and ordered some for her establishment.

Other operators, too, may be able to borrow ideas when they develop packaging for their operation. Fortunately, in most cases, the arduous search is usually a one-time effort. ❑

NRA National Conference Report

Public Service Promotions Payoff

Get out into the community. Don't wait for the community to come to you, advised the experts at NRA's Second Annual National Conference on Promotions—Promotions '83—held in Washington, DC, August 21-24. During the three-day conference, community involvement was singled out as one the key elements in any complete restaurant promotional program.

More than 250 participants heard hundreds of creative ideas for giveaways, discounts, couponing, sweepstakes, premiums, sampling, theme parties and gala events, but community involvement promotions took center stage.

Building credibility...

Working with community groups and cosponsoring local events—from charity functions to sporting events—gives your promotions and your operation credibility, goodwill and a good news angle for the local press, explained Jeanette Riechers, editor of *Independent Restaurants*.

Where to begin? Jerry Galloway, director of marketing for Schelde Enterprises Restaurant Group which owns six Mr. Steaks and five other restaurants in Grand Rapids, MI, believes that you should start by identifying your target market. "Table tent questionnaires, market surveys and focus groups will put you on the right track," Galloway stated. Once you know the demographics of your market, you'll know what your customers are involved in. This will tell you what you should be involved in.

How to get involved? A common first step is to coop or cosponsor an event with a local group which has the organizational expertise and the time to plan the event. The restaurant may be called upon to provide a location, the food, the manpower or initial capital.

Independently tagging on to community events can also be simple. All that may be required is to combine dinner with a ticket to a local movie theater, for example. Speakers warned, however, that the amount of involvement is usually proportional to the amount of local media coverage and general recognition received. The more involved you are and the more the program belongs to you, the more control you have and the more identification you will reap from the event.

When developing a community program make sure that the tone and character of the promotion match the tone and character of you restaurant image, warns Tom Feltenstein of the American Restaurant Marketing Group. "The promotion must always project an image of quality and deliver that quality in whatever form the value or incentive takes. Good promotional programs should thematically and consistently fit your image."

When you join forces with a local group, be sure to do your homework and check out the reputation of the organization. A restaurant should not take the risk of isolating itself from a large part of the community by working with a controversial group.

Where do you find ideas for programs? They are in your local newspaper. By reading the paper, you'll learn of community projects and interests. Once you have a list of activities popular in your market, you have to figure out which ones fit in with the reputation you want to build.

Getting involved...

Speakers at Promotions '83 maintained that there are two general categories of community programs: charitable programs and social/cultural events. Both categories offer restaurants tremendous opportunities. The image you have developed for your operation will help you select one type of program over the other or the appropriate programs in each category.

If you are planning a charity function or donation, you must decide if you want to work with a local charity or a national program. Working with a national charity may be easier because many of them have promotional programs ready-made for your business. Remember, however, the key to the promotion's success is community involvement. Unless the national organization has a local chapter, you may find that you are not getting the exposure you want in your community.

National charity programs can lead to first-rate local involvement, however. Garcia's of Scottsdale, AZ, illustrates just how well it can work. Garcia's—a chain of Mexican restaurants—sells specially developed rose bushes. The profits from the sales are donated to Cystic Fibrosis. How does the program tie into their operation? The rose bloom is part of the Garcia logo. Although the rose bushes are sold only at planting season, the logo is a daily reminder of Garcia's charitable program.

Other charity programs outlined at Promotions '83 include

- offering free/discount meals to disadvantaged groups during a particular season or holiday
- transporting senior citizens to a restaurant for lunch or dinner
- donating a given amount of money to a certain charity or local civic group
- taking a particular charity under the wing of the establishment and serving as its primary fund raiser
- holding a drawing for senior citizens. A sample prize: the winners have their utility bills paid for the winter.

Speakers also highlighted promotional programs under the social/cultural category. They include

- packaging cultural events, such as the theater or a concert, with a dinner in your establishment
- sponsoring a local sporting team, such as baseball
- sponsoring a sporting event, such as a marathon, a raft race, a walk-a-thon
- offering the services of your chef to different community groups for a lecture series
- participating in local clubs and organizations and
- making donations to the community, such as providing playground equipment for a new park.

Making your operation an integral part of the community is an important step to achieving your promotional goals.

Christmas A time to promote

GIFT
Certifica

Christmas—brightly wrapped packages, laughing children, fragrant trees. Most people love Christmas and respond to goodwill efforts during the holiday season. The Christmas season can bring out the best in your operation, too.

Despite the many competing activities around the holiday season, Christmas is a great time for creative promotions. One of the most exciting ways for operators to promote their establishments is to become involved in community activities.

Janice White of the Rustic Timbers in Sibley, IA, is an excellent example of a restaurateur who becomes involved in her community during Christmas. She donated free chicken dinners to needy neighbors and distributed toys she had collected from more fortunate members of the community. White recalls that the program quickly won community support.

The first step was to contact community groups. Local community welfare workers were asked to compile a list of the needy in the area and to provide names and ages of their children. The local Kiwanis Club was enlisted to coordinate the project.

Next, Rustic Timbers distributed drop boxes for toys and advertised the program in the local paper to build community support. White also sent beautiful invitations to the needy families, asking them to come to the Rustic Timbers for a party.

"The night of the party we had a regular show," recalls White. "There were lots and lots of people, including Santa Claus and the Marine Corps. We had wrapped and labelled the toys and matched these toys to the age and sex of the children so that each child had a hand-picked gift to open by the tree. In all," Janice beams, "it was a really wonderful night. Everyone benefited."

One way to involve older youngsters in holiday festivities is to enlist the help of high school students for madrigal singing inside the restaurant and/or caroling at the front entrance. Alternatively, drama students can wear period costumes or ethnic garb for an international Christmas theme. Drama and music students appreciate the exposure. As payment, you can treat them to a thank-you dinner afterwards and/or contribute money to their band, choir or drama club.

Don't forget your patrons. . .

Don't forget your patrons. Consider hosting an "after hours" party. Put an invitation in your local paper, mail out invitations to your regulars or simply advertise on table tents about two to three weeks before the event. Make sure the event is novel enough to draw people away from more traditional holiday plans. Be creative. Use themes such as a "three wise men" look-alike contest, a Charlie Brown Christmas party or an ornament-making contest for young diners.

The 15th St. Fisheries restaurant in Ft. Lauderdale, FL, is one restaurant noted for its innovative holiday activities. For starters, they hang their Christmas tree upside down from the ceiling. Owner and NRA Director Michael Hurst explains why they do it this way. "It all started because we had an opening between two floors. We hung the tree upside down so that the people on the first floor would see an upside-down tree while people on the second floor looking down would see it upright. Of course, we don't have the opening anymore, but the tree has turned into a real conversation piece. Can you hear it now? 'Say, I was just at the 15th St. Fisheries and you'll never believe it. They hang their Christmas tree upside down!' You can bet someone will come just to see it," says Hurst.

Another promotion at the Marina Bay, also in Ft. Lauderdale, that drew a lot of attention was a fund-raising party. The restaurant management rented a helicopter to fly in a Santa Claus and 20 tons of snow, baby elephants and other festive holiday props—a real treat for Florida residents who seldom have a "white" Christmas.

Catering to harried shoppers. . .

Consider how you might meet the needs of holiday shoppers. Remember, they are often rushed and feeling cash poor. So you might offer them fast and inexpensive alternatives, such as a hot soup and sandwich bar or a quick, fixed-price lunch. Or you can create a special promotion to tie-in with shopping, such as a free holiday drink for shoppers who bring in a merchandise receipt on the day of their purchase.

You could also cater to the needs of harried shoppers rushing home to prepare dinner by offering house specialties as carryout items. Or you might consider packaging your specialties, such as chili or breads, to be sold as gifts. Not only can this be a welcome convenience for those shoppers who are unable to find that "certain something" for hard-to-shop-for friends and relatives, but your restaurant label on the packaging is another way to promote your restaurant.

Involve your staff. . .

Finally, don't overlook your employees during these Christmas promotions. You might have a budding Santa Claus right on your cooking staff or some creative promotional possibilities you are not aware of. Ask your staff for ideas. Keep them involved because you'll really need their enthusiasm in order for the promotions to work. Moreover, the project can be energizing and a morale booster, too.

It is easy to see then that there are wonderful and not necessarily traditional ways to promote your restaurant during the Christmas holidays. Look at the needs of your community and develop a promotion to meet those needs. This is one sure way to build community goodwill and a satisfied group of customers.

—Kathy Groiss

THE HUMAN SIDE

70001: A job readiness program for productive foodservice workers

by Max Elsman

Recipes often consist of unlikely sounding ingredients. It's the right combination that spells the difference between the ordinary and the exceptional. But what possible recipe for success could be concocted when the "ingredients" are young high school dropouts, most with little work experience, poor academic skills and low motivation?

In 51 communities across the country, a national organization called 70001 Ltd. turns more than 4,000 young dropouts into productive citizens each year. More than a third of these individuals are placed in foodservice jobs.

Headquartered in Washington, DC, 70001—the name is derived from an accounting number for the first pilot project in 1969—has grown rapidly in recent years. Most of the 51 programs in the 70001 national network are locally funded and administered although the national office maintains quality control through training, technical assistance and annual audits.

Praise from operators...

It is 70001's unique combination of human service and bottom-line business orientation that intrigues many foodservice employers. "They (70001) care about their people, and they care about me as an employer," says David Talbert, an Indianapolis-based foodservice manager for the Saga Corporation, one of the nation's largest food caterers. "I will continue to use 70001 as a source of new hires because I have found that their concern and honesty are unique in their field." Twenty percent of Talbert's full-time workers were hired from the 70001 program operated by the Indianapolis Near East Side Multi-Service Center.

"It's an ingenious idea," adds Gregg Brown, manager of Biscuitville in Danville, VA. "It's encouraging to know that there are people doing this kind of work, giving young people an opportunity to do what they can do. 70001 is ideal for helping young people find themselves."

More than a third of the associates in the 70001 work readiness program are placed in foodservice jobs.

The value of 70001's services has been recognized by the National Restaurant Association, which is among the more than 55 corporate and association members of 70001's "business associates." A parallel group of "congressional associates" has more than 65 members.

Program participants are also called "associates," and this is no accident. The term connotes affiliation, professionalism and personal pride and puts participants on equal footing with 70001 employers. This contributes to the participants' positive self-image.

"70001's partnership with the foodservice industry is valuable and productive," says Roger D. Semerad, executive vice president of The Brookings Institution and 70001's chairman of the board. "Foodservice executives have advised us for years that they seek entry-level employees with positive attitudes who can get along with others and are willing to work. By including attitude development along with its work-readiness and educational training, 70001 provides a source of truly job-ready employees for the foodservice industry."

San Antonio program...

The 70001 local program that has the closest connection with the hospitality industry is San Antonio's Hospitality Industry Pre-Employment Training and Placement program. Each year 40 percent of its 120 graduates are placed into foodservice positions. The rest get jobs as clerks, bellmen, housekeepers and switchboard operators.

The training program, funded by the San Antonio Alliance of Business Private Industry Council, is actively supported by more than 10 of the city's largest hotels. All associates are from economically disadvantaged backgrounds. Once enrolled they are put through an intensive four-week program that includes orientation to careers in the hospitality industry. Graduates are referred to hotels, restaurants, caterers and other hospitality employers for job interviews. As in all other 70001 programs, associates in San Antonio are not paid during their training—only the wages they earn.

"We are very proud that 15 percent of the hotel staff are 70001 associates," says Dave Conlin, personnel manager of the Gunter Hotel in San Antonio, TX. "It is not because of any great humanitarian effort because we, like any other business, live and die on the bottom line. It is because after completing the 70001 program these associates become the hotel's best employees."

Conlin, who was instrumental in the creation of the San Antonio program, adds that "one of the most exciting things that has happened to us lately is to finally see associates as supervisors, supervising other associates. That's a thrill, that's a real thrill."

The program has been successful, not only for employers, but for associates as well. Nineteen-year-old Bobby Crawford, for example, completed the program and was hired as a Gunter Hotel kitchen helper in April 1982. He has since worked his way up to assistant cook and is determined to complete the several years of training necessary to become a chef, says Program Manager Joe Meza.

The San Antonio program is unusual in its strong links to a specific industry. Most other 70001 programs provide entry-level workers to employers of all kinds, including foodservice.

Foodservice operators contribute more than jobs...

Foodservice executives not only hire associates but they also participate in 70001's motivational, career and civic activities. R.A. Hendricks, for example, a regional McDonald's manager in central Virginia, donates half the building space to mark a parking space for the handicapped.

In Danville, VA, Pizza Hut Manager Reggie Rogers employs two associates and helps judge 70001's local job interview competition and other career-related activities. Foodservice executives elsewhere have donated food and decorations for 70001 receptions and serve on advisory councils.

Participation of this type accounts for the success of the 70001 program. A major two-year study published by the U.S. Department of Labor in 1982 found that 80 percent of 70001's program graduates were placed into private jobs usually within two weeks. The associates also landed better jobs with higher pay and more benefits than a similar group of young people not in the program.

More significant from an employer's perspective, the study found that 30 percent of employers rated 70001 youth better workers than typical entry-level hires. More than 90 percent said the 70001 youth were at least as good as their other workers.

And at a cost of approximately $2,000 per job placement, 70001 was found to be only about a third as expensive as most other federally funded job training programs.

Dramatic growth now possible...

70001's relationship with the foodservice and other industries is about to undergo a dramatic change, however. The Job Training Partnership Act, (JTPA) strongly supported by President Reagan, will completely overhaul the nation's employment training systems. It went into effect October 1, 1983.

"The private sector has for years asked for control of the employment training system. Under JTPA they now have it through the mechanism of Private Industry Councils. 70001's involvement with private business is likely to intensify, allowing 70001 to expand further and serve an even greater number of citizens." ☐

STATE DEPARTMENT

New York State initiates seminars on DRAM SHOP LAW

The New York State Restaurant Association (NYSRA), in cooperation with the New York State Division of Alcoholism and Alcohol Abuse, is conducting a statewide series of audiovisual seminars designed to train bar owners and their employees to identify patrons who have had too much to drink. To date, six seminars have been held with approximately 350 attendees. An additional eight classes are scheduled through November.

According to Fred G. Sampson, president of the NYSRA and program instructor, the purpose of the *"Dine and Wine Intelligently vs. Driving While Intoxicated"* seminars is to reduce the abuse of alcohol and accompanying problems, such as automobile accidents and assaults. Topics covered in the course include a legal interpretation of the state dram shop law, how to handle customers who have had too much to drink, what alcohol is and what it does, and what BAC (blood alcohol content) is and why it is important.

D.W.I
VS.
D.W.I
DINE AND WINE INTELLIGENTLY VS DRIVING WHILE INTOXICATED

Other states with some form of third party liability law:

- Alabama
- California
- Colorado
- Connecticut
- Delaware
- Florida
- Georgia
- Iowa
- Maine
- Michigan
- Minnesota
- North Carolina
- North Dakota
- Ohio
- Oregon
- Pennsylvania
- Rhode Island
- Vermont
- Wisconsin
- Wyoming

Legally, in New York state, anyone injured by an intoxicated person can sue the owner and/or employee responsible for serving the alcohol. Known as the Dram Shop Act, this is not a new law, but has been a state statute for 110 years. As a result of this liability, owners and their servers must exercise keen judgment over whom they are serving and how much alcohol is being consumed.

New York does not stand alone with its dram shop law. Nationwide, 21 states have some form of dram shop law—or third party liability law—on the books.

The impetus for NYSRA's seminar series came from the large volume of restaurateurs and bar owners recently asking questions about the 19th century statute. In meeting the needs of its members, NYSRA initiated its educational program this summer. Sampson explained that the reception to the early seminars exceeded expectations.

"We have been most gratified with the favorable response from our members, their employees and the media to these seminars," noted Sampson. He observed that industry support for this campaign illustrates the responsible action restaurateurs will take when a significant issue is identified.

"It is important to turn DWI into a positive phrase—dining and wining intelligently. We decided to become involved with this program to show that we are a responsible industry and we want to minimize drinking and driving," said Sampson.

For more information on this program, please contact Fred Sampson, President, New York State Restaurant Association, 250 West 57th Street, New York, NY 10019, (212) 246-3434.

—Elizabeth Hendrix

TECHNICAL SERVICES

Public health and safety labels

Continuing its programs to provide members with assistance for maintaining clean establishments, the National Restaurant Association recently distributed a set of nine public health and safety labels. Addressing practices of importance in foodservice operations, the messages are

No smoking
No running
Caution—Hot
Head cover on
Would you eat it?
Wash hands before handling food
Keep floor dry
Caution—Dangerous machine and
Three-compartment sink: wash, rinse, sanitize.

The labels are printed in multicolors on pressure-sensitive, washable stock. They are now available for purchase through the National Restaurant Association's Information Services and Library at 311 First St., N.W., Washington, DC 20001.

HEAD COVER ON?
CAUTION
DANGEROUS MACHINE
KEEP ALERT

You can help develop standards

If your oven doesn't maintain an even temperature and your refrigerator shelves come off their runners, you know firsthand how important performance standards are for foodservice equipment. And you can do something to create those standards if you participate in the American Society for Testing and Materials (ASTM) Committee on Foodservice Equipment.

This committee is developing test methods, specifications and performance requirements for equipment that is used in commercial foodservice establishments.

"Development of standards for the foodservice industry is just beginning. The technical expertise and the concern of persons and companies who purchase or use foodservice equipment are needed to discuss the many different technical problems associated with devices commonly used in foodservice establishments," maintains Carroll Johnson, vice president of engineering and construction for the Friendly Ice Cream Corporation in Wilbraham, MA. "Many people with many skills are needed to participate in subcommittees that are just beginning to address the problems related to food compactors, prescrub devices, fryers, griddles, refrigerated display cabinets, hot and cold drink dispensers and so forth. Operators who buy or use any of these types of equipment should be represented on ASTM Committee F-26 in order that the committee can embrace all user needs and perspectives.

"Participants can review and comment on the standards prior to their adoption," continues Johnson. "They have a voice in the approval of standards. And twice a year subcommittees assigned to development of standards for individual types of equipment hold meetings that provide an opportunity to ensure equipment will be properly evaluated for its performance capability. Standard test methods will permit manufacturers and users to have a valid reference purchase document."

Neither AIDS nor herpes transmitted through food

Neither AIDS (acquired immunity deficiency syndrome) nor herpes simplex are transmitted through food or food-contact surfaces, according to the Center for Disease Control and the Food and Drug Administration. Recent media attention to these diseases has generated some operator concern about the effect of AIDS and herpes on food handlers and food handling practices.

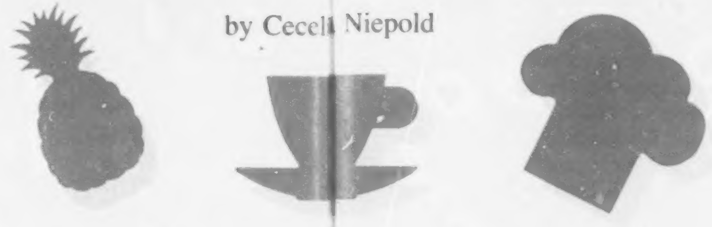
According to medical epidemiologist Joyce M. Johnson, the Center for Disease Control has no specific recommendations for restaurants regarding the prevention of AIDS because "we have no evidence that AIDS is transmitted through food, water, air, inanimate objects or casual contact. However, we recommend that all restaurant employees follow the accepted practices of good hygiene."

A similar finding for herpes simplex was reported by Arthur L. Banks, director of the retail food protection branch of the Bureau of Foods, Food and Drug Administration.

FOODSERVICE TRENDS

Expanding job opportunities in eating and drinking places

by Cecel Niepold



Employment opportunities in eating and drinking places should outpace other industries during the 1980s, according to the most recent Bureau of Labor Statistics' employment projections. This continues the restaurant industry's historical role as the largest employer within the retail trade sector.

The slowdown in inflation, expected growth in personal income and increased consumer spending on dining away from home should cause substantial growth in the restaurant industry, and employment is expected to increase accordingly. Based on this optimistic outlook, employment opportunities in eating and drinking places should jump 32.6 percent between 1980 and 1990. This compares with a lower 18.9 percent average rise projected for all industries.

Labor Department statistics report 4.8 million Americans were employed in various eating and drinking place job categories in 1980 and predict almost 6.4 million people will be working in restaurants by 1990—a remarkable increase of almost 1.6 million positions. These Labor Department projections take into account only eating and drinking place employment. They do not include employment in other sectors of the foodservice industry, such as hotels and institutions that run their own foodservice. The National Restaurant Association, when estimating the total number of employees in the foodservice industry, includes all sectors of foodservice. Thus, NRA estimates nearly eight million individuals are employed by the foodservice industry.

Positions in fast food restaurants expected to grow most rapidly. . .

Due to Americans' continuing demand for the convenience and quick service offered by fast food establishments and the growing unit expansion in this sector of the industry, employment in these restaurants should experience the most rapid growth during the 1980s. According to the Bureau of Labor Statistics, the number of fast food workers will jump 51.1 percent by 1990.

Clerical workers, including cashiers in all types of restaurants, will also increase dramatically—rising 50.1 percent between 1980 and 1990. Restaurant managers and proprietors will also be in demand, with the number of jobs in this category advancing 38.3 percent by 1990. Although still posting a respectable growth of 21.2 percent, bartending positions may experience the slowest gains in the foodservice industry during the 80s.

Waiters and waitresses will still be largest occupational category. . .

The number of waiters and waitresses should reach 1.6 million by 1990, accounting for nearly one out of four eating and drinking place jobs. Foodservice workers in fast food restaurants will be the second most plentiful type of employee with almost 1.2 million positions. Cooks capture the number three spot and should account for approximately 792,000 jobs by 1990.

Eating and Drinking Place Employment* 1980 to 1990

	1980	1990^P	Percent change
Bakers, bread and pastry	22,205	29,453	32.6%
Bartenders	242,026	293,338	21.2
Butchers and meat cutters	963	1,277	32.6
Clerical, cashiers	225,433	338,471	50.1
Cooks, except private households	634,699	792,371	24.8
Cooks, institutional	711	942	32.5
Cooks, restaurant	261,905	336,709	28.6
Cooks, short order and specialty fast foods	372,083	454,720	22.2
Foodservice workers, fast food restaurants	788,979	1,192,334	51.1
Hosts/hostesses, restaurants, lounges and coffee shops	93,567	127,082	35.8
Kitchen helpers	394,762	523,607	32.6
Pantry, sandwich and coffee makers	52,233	69,281	32.6
Restaurant managers and proprietors	331,254	458,187	38.3
Waiters/waitresses	1,329,825	1,629,642	22.5
Waiters' assistants	194,095	257,418	32.6
Others**	508,158	678,259	33.5
Total foodservice workers	**4,818,199**	**6,390,720**	**32.6%**

*These data include only those individuals employed in eating and drinking places. Others in foodservice occupations, such as cooks or waiters and waitresses, may be employed in other sectors of the foodservice industry.

^P BLS projections

**Includes eating and drinking place employees in other occupations such as professional, technical and sales workers.

Source: *Bureau of Labor Statistics* (BLS)

Analysis:

Job openings in foodservice occupations

Employees contribute a great deal to the overall success of a restaurant's operation, and hiring and maintaining a productive work force is a primary concern for most restaurateurs. Consequently, knowing the job market may help restaurant operators more effectively fill available positions in their establishments.

To give restaurateurs a better idea of the types of people working in restaurant positions and the trends occurring in the foodservice job market, NRA examined two U.S. Department of Labor (DOL) studies.

One of these reports analyzes the changes occurring in occupational openings between 1973 and 1981. The Bureau of Labor Statistics (BLS) classifies job openings as positions which become available due to both growth and replacement needs. This classification includes employment changes that have resulted from people transferring to other occupations, retiring or leaving the labor force.

The other study describes the types of individuals who entered foodservice positions during the year 1980 to 1981. Although the information in these reports is based on 1980 and 1981 data, NRA expects these patterns reflect ongoing trends in the foodservice job market.

Foodservice openings increased 40 percent. . .

Labor Department occupational opening figures, which compare 1973 annual openings with the number of available positions recorded during 1981, report job openings in the foodservice industry grew almost 40 percent during that time. In comparison, the average increase recorded for all industry openings was a significantly lower 11.8 percent.

Openings for restaurant managers experienced the most dramatic growth between 1973 and 1981—more than doubling in number and recording almost 162,000 available positions in 1981. The cooks and chefs category also recorded an above average number of openings, growing by almost 80 percent to over 437,000 openings. The number of jobs available for waiters and waitresses increased approximately 21 percent to more than 465,000 openings, somewhat lower than the average rate recorded for all foodservice occupations, but still significantly larger than the national average. The smallest gain recorded for a foodservice category was in the bartending sector which reported 85,350 openings in 1981—a slight 9.4 percent increase between 1973 and 1981.

As the economy improves and consumers begin to dine away from home more frequently, even more restaurant positions should become available. Favorable economic conditions and increasing consumer demand should encourage restaurant unit expansion, which will boost the number of

Foodservice occupational job openings

	1973	1981	Percent increase
Bartenders	78,044	85,350	9.4%
Cooks, except private households	243,672	437,341	79.5
Dining room attendants	101,529	141,796	39.7
Dishwashers	91,722	122,598	33.7
Food counter, fountain workers	128,356	177,340	38.2
Restaurant, cafeteria, bar managers	76,919	161,777	110.3
Waiters/waitresses	385,150	465,628	20.9
Other foodservice workers	131,065	191,982	46.5
Total foodservice workers	**1,159,538**	**1,622,035**	**39.9%**

*Data shown here are for all individuals in foodservice occupations. These individuals may be employed in eating and drinking places or in other types of foodservice outlets.

Source: *Bureau of Labor Statistics*

openings in all areas of foodservice. Consumers have recently shown a tendency to "trade up" to upscale and moderately priced restaurants. It is believed that this trend will continue and should result in an increase in waiter and waitress positions at these establishments.

Who's entering foodservice?...

The BLS study analyzing job entrants shows that the vast majority of individuals entering foodservice occupations are women and teenagers. Between 1980 and 1981, approximately 64 percent of all job entrants in foodservice were women, while teenagers (between 16 and 19 years old) accounted for almost half of all new employees.

Most of the teenagers—27 percent—took jobs as cooks or chefs, and more than 22 percent took waiter or waitress positions. Food counter or fountain jobs were also popular with this age group. Almost 14 percent of the teenagers took jobs in these categories. Approximately 84 percent of the teenage job entrants between 1980 and 1981 were part-time employees. This indicates that restaurant jobs are prime positions for young people working their way through school or starting out in the working world.

Female job entrants, on the other hand, were more likely to work full-time. Almost a third of the women entering restaurant jobs started as full-time employees. More than 41 percent of the women entering foodservice positions took waitress jobs. Interestingly, female job entrants filled almost 92 percent of the waiter/waitress openings in 1980-81. A large number of women—almost 20 percent—took cook or chef positions during this time period.

Waiter/waitress positions—number one type of opening...

Looking at the different job categories, waiter/waitress positions were most frequently available during 1980-81. They accounted for 28.7 percent of all openings in foodservice occupations. According to BLS, more than 465,000 openings occurred in this type of job in 1980-81. Female job entrants significantly outnumbered males in these positions and, on average, three out of 10 new waiters or waitresses were full-time workers. Almost half of the older job entrants (55 years old and over) in this occupational category, however, were full-time employees. This suggests that older workers are more likely to take full-time wait staff positions, compared with younger employees who tend to work part-time in restaurants while attending school.

Openings in cook and chef positions were also prevalent and accounted for 27 percent of all the available jobs in foodservice occupations in 1980-81. These positions were filled by more men than women between 1980 and 1981, with 53 percent taken by men. A higher than average number of full-time jobs was filled in this category—37 percent. This may be due to the increasing career opportunities for chefs and cooks and the growing number of professional training programs available for this occupation.

Almost 11 percent of the openings in restaurant positions were food counter or fountain jobs. As can be expected, the majority of the food counter or fountain openings were filled by teenagers—61.8 percent. Compared with other foodservice job categories, food counter and fountain positions were filled by the lowest overall number of full-time employees—14.6 percent.

Almost nine percent of the openings in foodservice occupations between 1980 and 1981 were dining room attendant positions. Most of these jobs were filled by males, and more than three-fourths of the people hired were teenagers.

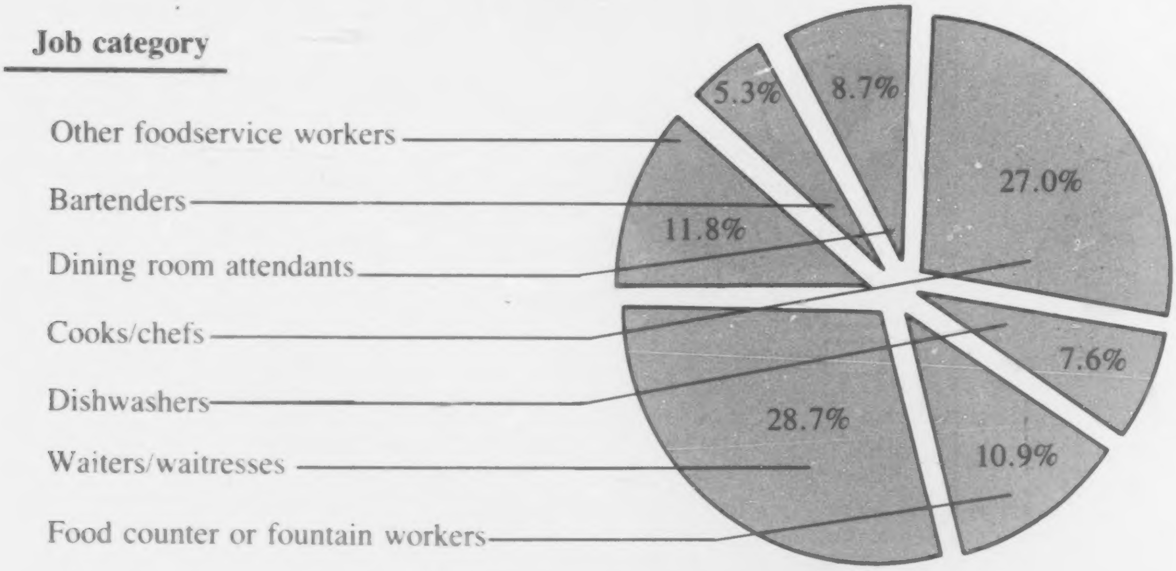
The dishwasher job category accounted for 7.6 percent of all foodservice job openings, and almost 70 percent of the positions were filled by teenagers. Male job entrants outnumbered females in this category. More than seven out of 10 new entrants were men.

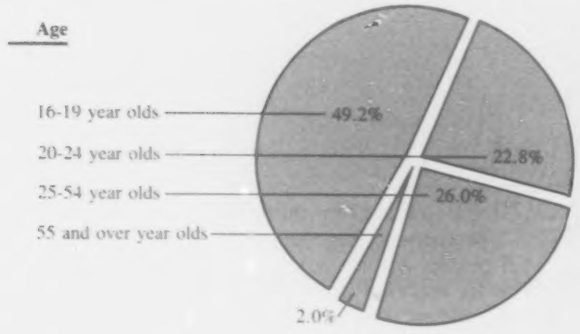
The lowest number of openings occurred in the bartending sector, which recorded only 5.3 percent of the available jobs. Slightly more females—53 percent—took bartending jobs in 1980-81, compared with the number of men taking this type of position. Interestingly, bartenders are much more likely to be full-time workers. According to BLS, almost two-thirds of the job entrants in this category between 1980 and 1981 took full-time jobs—the highest percentage recorded in BLS's report on foodservice occupation openings. As can be expected, more than half of the job entrants in this field were between 25 and 54 years old.

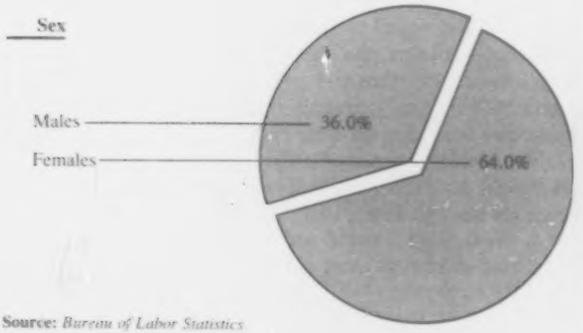
Developing effective strategies...

As the economy strengthens, the number of available foodservice job openings will also grow. At the same time, though, employment in other industries will pick up. This will reduce the pool of available workers as will the decline in the number of young people and the growing number of older individuals. To plan a productive work force, restaurateurs should look at alternative groups of workers (such as older individuals). See "Employment tips" in this section for further employment suggestions.

Percentages of total foodservice occupational openings 1980-1981







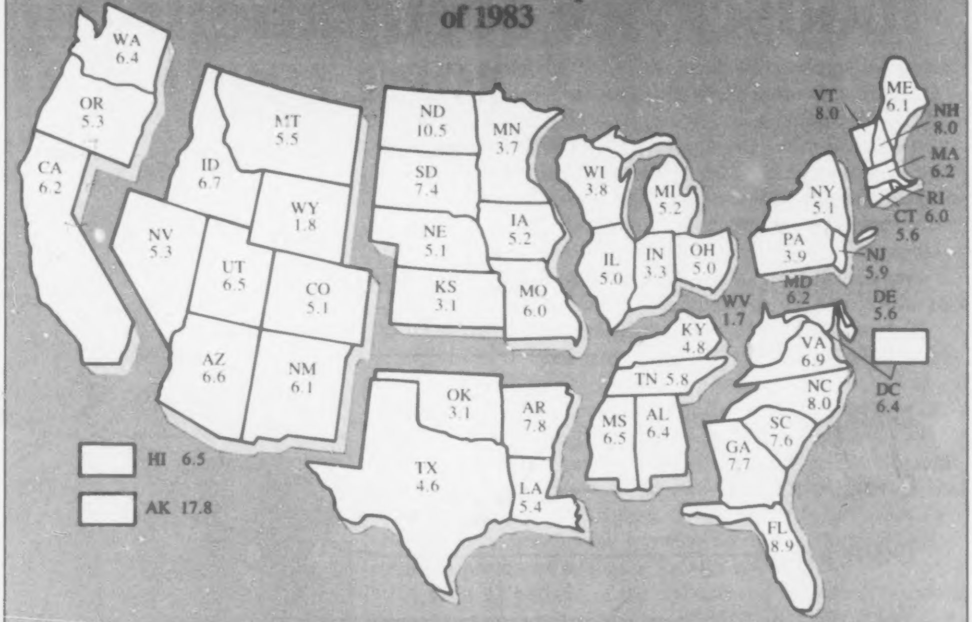
Source: *Bureau of Labor Statistics*

Employment tips

1. **Develop strategies to keep good employees,** such as incentive plans. The number of job openings will continue to grow in the foodservice industry. Consequently, competition will increase for good employees.
2. **Offer advancement opportunities or management training programs** to cut down on turnover among your younger workers.
3. **Be selective when hiring.** Make sure you hire the best person available for each individual position. Being choosy and thorough during the hiring process may help cut down turnover.
4. **Train your staff.** Good service is essential to a restaurant's success. Well-trained employees will boost the image of your restaurant and receive better tips (a selling point for employee productivity in this area).
5. **Don't ignore your part-time workers.** Give these individuals as much training and opportunity for advancement as you would give a full-time employee. This should boost productivity. You may also want to consider flexible scheduling around school hours, family responsibilities and other job restrictions that have led these individuals to consider part-time employment. This may help reduce turnover.
6. **Try to encourage a team spirit among employees.** Employees who work together well will be happier and more productive workers.
7. **When hiring, consider older applicants.** They are an excellent source of stable, reliable workers.

Regional economic review

Percent increase in personal income for the first quarter of 1983



New England region	6.2%
Middle Atlantic region	4.9%
South Atlantic region	7.4%
East South Central region	5.8%
West South Central region	4.7%
East North Central region	4.7%
West North Central region	5.0%
Mountain region	5.7%
Pacific region	6.3%
Total U.S.	5.6%

Source:
Bureau of Economic Analysis

The long awaited recovery seems to be finally underway. And due to the immense diversity of the various regions across the United States, each area will be affected differently. Some areas will experience rapid growth. Other regions may recover at a pace similar to the national average, and areas more severely affected by the recession might take longer to bounce back. Such differences will, of course, affect restaurant sales performance.

This article will highlight the economic outlook in each of the nine census regions. Restaurateurs can use this information to better understand how economic conditions may affect their business, sales goals and expansion plans.

The accompanying map and chart show which states are located in each census region and should help restaurateurs make regional comparisons. A more comprehensive discussion of regional sales and a forecast for 1984 will appear in the December 1983 issue of the *NRA NEWS*.

Outlook more optimistic for all regions. . .

National economic indicators continue to point to a strong recovery. In the second quarter, the gross national product (GNP)—adjusted for inflation—rose at an annual rate of 2.2 percent—a dramatic improvement over last year's 1.5 percent decline during the same period. Annual projections for real GNP during 1983 are averaging around 3.0 percent, and an even more positive four to five percent growth is being forecast for 1984. Inflation has subsided and has averaged only 3.2 percent during the first seven months of this year, compared with a steeper 6.8 percent posted during all of 1982. National unemployment, though still relatively high, has been gradually decreasing since last December and dropped to a low of 9.5 percent in July.

On a regional level, the New England, South Atlantic, and Mountain areas should experience stronger growth than the national average—primarily because of the diverse industrial mix and favorable business climate in these areas. Recovery in the Middle Atlantic, Pacific and West South Central regions should mirror the national economy. Due to their heavy reliance on manufacturing and agriculture, the South East Central, West North Central and East North Central areas may recover somewhat more slowly than the nation as a whole.

The accompanying chart briefly summarizes the 1983 economic picture in each of the nine census regions.

Regional Outlook Summary

NEW ENGLAND

VT
ME
NH
MA
RI
CT

Major industries:
- Defense
- High-technology
- Service
- Textiles

Outlook:
- Defense employment will be helped by increases in defense spending
- Capital expenditure budgets should rise, increasing demand for high-tech goods
- Strong dollar and high labor costs will boost prices of textile exports, impeding the area's ability to compete in the world marketplace
- Unemployment rate is declining
- Personal income is rising faster than the national average
- *Eating place sales are expected to rise faster than the national average*

MIDDLE ATLANTIC

Major industries:
- Steel
- Finance
- Service

Outlook:
- Steel industry will be slow to recover
- Financial and service employment increases will continue
- Personal income is rising more slowly than the national average
- *Eating place sales are projected to experience average or below-average gains*

SOUTH ATLANTIC

MD
WV
DE
VA
NC
DC
SC
GA
FL

Major industries:
- Furniture
- Motor vehicle supplies
- Steel
- Tourism
- Textiles and apparel

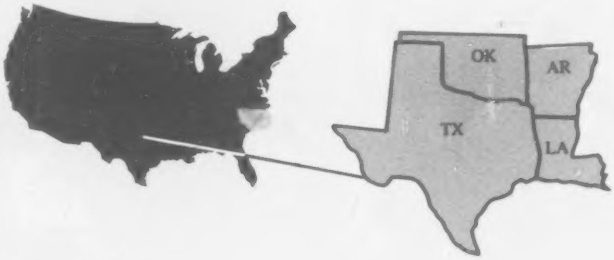
Outlook:
- Increases in residential construction and automobile production will provide fuel for an economic upturn
- Lower gasoline prices and increasing consumer incomes will be beneficial to tourism
- Personal income is rising substantially faster than the national average
- *Eating places should post impressive gains*

EAST SOUTH CENTRAL

Major industries:
- Textiles
- Apparel
- Household appliances
- Auto parts

Outlook:
- Strong dollar will impede textile industry's ability to compete in world marketplace
- Upswing in housing construction and automobile production will help appliance and auto parts industries
- Unemployment level is decreasing but still remains above the national average
- Personal income growth approximates that for the nation as a whole
- *Eating place sales growth will be somewhat slower than the national average*

WEST SOUTH CENTRAL

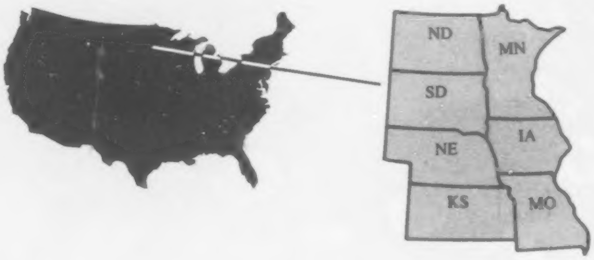


Major industries:
- Oil and gas
- Chemicals
- Finance
- Service

Outlook:
- Depressed oil prices and decreased demand will continue to impede growth in energy-related industries
- Lower raw material costs will be beneficial to chemical and related industries
- Employment in finance and service-related industries continues to rise

- Unemployment rate has risen but still remains below the national average
- Personal income growth is slightly below the national average but should pick up before the end of the year
- *Eating place sales growth will approximate the national average*

WEST NORTH CENTRAL



Major industries:
- Agriculture
- Farming equipment
- Fertilizers

Outlook:
- Payment-In-Kind (PIK) program may help ease farmers' difficulties
- Record-breaking hot weather will hurt some farmers' incomes
- Regional unemployment rate averages will be lower than for the nation as a whole
- Personal income is rising more slowly than national average
- *Eating place sales should experience average or below average growth*

EAST NORTH CENTRAL

WI
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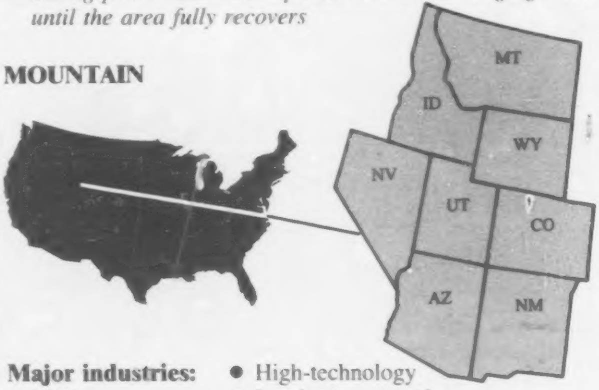
Major industries:
- Auto
- Rubber
- Steel
- Agriculture

Outlook:
- Increased auto production will be beneficial to the area
- Rubber and steel industries will benefit from increased auto production
- The drought and high debt load of many farmers will impede growth in the agricultural sector
- Unemployment remains at double digit levels but is moving downward
- Personal income growth is slower than the nation as a whole
- *Eating place sales will experience below average growth until the area fully recovers*

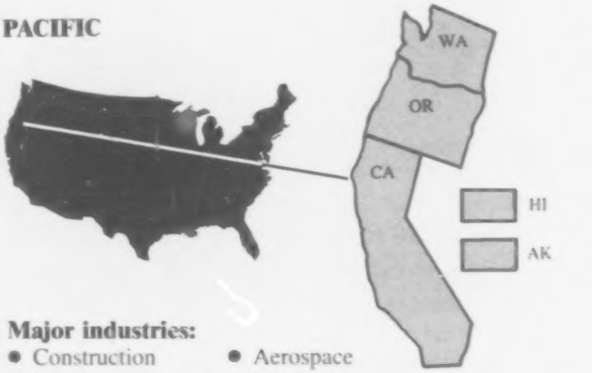
MOUNTAIN



Major industries:
- Mining
- High-technology
- Lumber/construction

Outlook:
- High-tech jobs continue to play a large role in the economic growth of area
- Mining and manufacturing industries still experience fairly high unemployment
- Lumber and construction industries are gradually improving
- Unemployment levels are generally below the national average
- Personal income growth approximates the nation as a whole
- *Eating place sales will experience higher than average growth*

PACIFIC



Major industries:
- Construction
- Lumber
- Aerospace
- Tourism

Outlook:
- Forecast for lumber and wood products has brightened due to lower mortgage rates and rising consumer income
- Aircraft industry is picking up steam from both commercial and government contracts
- Tourism is growing as consumers spend more on traveling
- Unemployment levels are averaging below the nation as a whole
- Personal income growth is advancing faster than the national average
- *Eating place sales should experience slightly better than average growth*

Wholesale food cost update

Despite the drought in the Midwest this summer, overall food cost increases for 1983 should stay low. According to USDA, moderate consumer demand—especially in the first half of the year—plus plentiful supplies of most foods will hold food prices low for the rest of the year. For the first eight months of 1983, wholesale food costs rose only slightly—0.2 percent—compared with last year, according to the Bureau of Labor Statistics' *Producer Price Index*.

Prices will rise somewhat in 1984 as consumer demand accelerates due to gains in real personal income and a strengthening economy. Also, a combination of the administration's payment-in-kind program, which cuts back grain surpluses by reducing production, and the aftereffects of the drought will boost overall food prices next year.

According to USDA, the drought has sharply curtailed corn and soybean crops. This year's corn crop is expected to be the smallest since 1970—down 48 percent from a year earlier—and soybean output will be the lowest since 1976—down 33 percent from 1982. Since corn and soybeans are primary feeds for cattle, hogs and chickens, prices for these commodities will be affected by the higher grain costs. Meat prices will stay fairly low for the remainder of the year, however, as farmers react to the higher feed costs and send more stocks to market. This will result in increased supplies and lower costs. By the middle of next year, though, meat prices may rise as supplies are reduced.

The following article summarizes the latest commodity information available from USDA and may help restaurateurs gain a clearer picture of the current and upcoming trends in wholesale food costs.

Substantial pork supplies. . .

Last year hog producers received unusually high prices for pork and responded by substantially increasing their levels of production. USDA predicts 15 billion pounds of pork will be produced in 1983—up a significant 6.4 percent over 1982's lower levels. These unusually high supply levels are expected to drop by the second quarter of next year, and production levels should be below a year earlier by the second half of 1984. USDA is forecasting overall pork supplies in 1984 will be two percent below 1983's unusually high levels due to the drop in prices and steeper grain costs.

As a result of the large production levels, pork prices are comparatively low. Even though the extremely hot weather raised prices somewhat due to smaller weights (the heat caused the hogs to eat less) and delays in sending the hogs to market, prices are still significantly lower than a year ago.

During the third quarter, prices ranged between $46 to $47 per cwt. (USDA originally predicted prices would average $44 to $46). This compares with a much higher $62 per cwt. average for last summer. Fourth quarter prices should stay down and average $38 to $42 per cwt., much lower than last year's $55 per cwt. According to USDA, prices in 1984 should average $45 to $51 with most of the increase occurring in the second half of the year as production levels decline and feed costs rise. This compares with a slightly lower $47 to $49 predicted for total 1983.

Beef prices and supplies should remain stable. . .

According to USDA economist Ron Gustafson, beef production should be relatively large through early fall and then may decline slightly. Total beef supplies should be up five percent this summer, compared with one year earlier, and level off during the fourth quarter. Production should be up two to three percent in the first quarter of 1984. So far, the hot, dry weather in the Midwest has not severely affected the beef supply, but if it continues, production may be affected slightly due to higher grain costs. Total beef production in 1983 is expected to reach 22.9 billion pounds, up two percent from one year earlier.

Prices for Choice—fed steers at Omaha are expected to drop in late summer through mid-fall and average $61 to $65 per cwt. as large supplies from competing meats (primarily pork) come into the market. Improved consumer demand due to the strengthening economy, though, will limit this downward pressure somewhat. Early fall may be the best time to stock up on beef supplies as prices are expected to be the lowest in September and October.

Commodity price index

	Percent Change			
Commodity	**1981–1982**	**August '82 August '83**	**8 mos. '82 8 mos. '83**	**July '83 August '83**
Bakery products	3.3%	3.8%	2.6%	0.2%
Flour and cereal	−5.3	5.1	0.3	0.3
Beef and veal	−0.8	−4.6	−3.8	−3.2
Other meats	16.9	−14.9	−3.6	−0.2
Pork	14.0	−16.3	−3.8	0.1
Poultry and eggs	−6.7	5.5	−1.8	2.9
Poultry	−7.6	3.6	−1.2	1.3
Eggs	−4.5	10.4	−2.5	6.9
Fish and shellfish	11.8	2.7	10.1	−0.5
Sugar and sweets	−2.6	4.2	5.2	0.5
Sugar	−2.5	4.5	9.0	0.8
Vegetables	−4.4	11.5	−4.6	4.8
Fresh vegetables	−11.2	18.9	−8.6	7.7
Fruits and juices	2.9	4.3	0.1	0.9
Fresh fruit	3.6	8.8	3.3	1.7
Beverages	4.5	1.0	1.2	0.1
Dairy products	1.3	0.6	0.9	[illegible]
Fats and oils	−1.4	6.3	−0.7	4.6
NRA Food Cost Index	2.5%	0.2%	0.2%	0.4%
All Food, Producer Price Index[1]	1.1%	0.6%	0.4%	0.7%

[1] Includes all processed foods (except soft drinks, alcoholic beverages and animal feeds) plus eggs and fresh and dried fruits and vegetables.

*No change

Sources: *Producer Price Index, Bureau of Labor Statistics; NRA.*

Broiler production down...

According to Alan Baker, USDA economist, even though the broiler market has been significantly affected by the drought, things should return to normal as the weather cools down this fall. Chicken supplies were low before the drought, and the hot weather and high feed costs reduced production levels even more. By the fourth quarter, though, chicken production levels should be even with or up two percent over 1982. Producers are putting more eggs in incubators (to protect them from the heat) to bolster supplies. For 1984, USDA expects production to meet 1983's levels, but supplies should be higher in the second half of 1984 than they will be this year.

Chicken prices on average have been higher this year due to high grain costs, smaller supplies and lower than normal prices during 1982. At the beginning of September, broiler prices averaged 59 cents a pound versus a much lower 47 cents per pound in 1982. For the fourth quarter, prices should average 44 to 48 cents, slightly above last year's 42 cents level. During 1984, prices should range between 47 to 51 cents per pound, up from the 44 to 48 cents expected average for 1983.

Lower egg supplies expected...

Egg production has also been affected by a combination of cutbacks in supplies and the record heat levels this summer. For the third quarter of this year, egg production was three percent below 1982's levels. USDA expects total supplies of eggs in 1984 will be one percent below 1983's already low levels.

As supplies have declined, egg prices have moved upward. In August, egg prices averaged 76 cents a dozen, compared with 65 cents per dozen a year ago. For the fourth quarter, egg prices should average 72 to 76 cents per dozen versus 68 cents during 1982. USDA predicts egg prices will range between 70 and 74 cents in 1984, slightly higher than the average 68 to 72 cents expected for 1983.

Plentiful fresh fruit stocks...

Supplies of fresh fruit should be adequate through the 1983/84 season, according to USDA. Apple production is expected to be three percent above a year earlier, and pear supplies will also be up two percent over last year. Grapes should be plentiful, and prices are expected to average below last year's levels. On the other hand, the peach crop in the nine Southern states was 28 percent smaller this year. Prices are expected to average substantially above last year's levels. Current supplies of California oranges are very heavy, and the Florida orange crop is expected to be larger this year as well.

Canned fruit supplies are expected to be tight through the 1983/84 season due primarily to the smaller cling peach crops. Low carry-over stocks will also contribute to the smaller supplies and somewhat higher prices.

Frozen fruit supplies should be adequate. Ample frozen strawberry supplies are expected, and prices should remain fairly stable. Supplies of frozen orange juice concentrate should also be adequate due to healthy orange crops. Tight supplies of frozen cherries are expected, however, due to very small Michigan cherry harvests.

Weather affects vegetable outlook...

The fresh vegetable market depends primarily on the whims of nature. According to Michael Stellmacher, USDA economist, long range predictions for vegetable supplies and prices are difficult to make. However, fresh vegetable price increases have historically paralleled the inflation rate. Marketing, transportation, packaging and labor costs also affect vegetable prices. Since these have slowed and the inflation rate has subsided, USDA expects vegetable prices to increase only moderately through next year.

The hot weather this summer has affected some of the vegetable crops. Potato supplies will be tight (due to the drought and fewer initial plantings). Thus potato prices should average significantly above last year's. Cabbage crops were also hurt significantly, and prices have almost doubled compared to a year ago. Sweet corn supplies, although reduced by the drought, are still ample. Prices are averaging below 1982's levels.

The sweet potato crop is expected to be the smallest on record this year. Last year's sweet potato harvest was the largest since 1965, and farmers subsequently cut back production. Higher prices through the 1983/84 season will be the result of the smaller plantings this year. Lettuce prices were higher than normal in the spring due to the heavy California rains but are now about the same as a year ago. A large tomato crop is holding fresh tomato prices below last year's levels.

Overall frozen vegetable supplies should be ample due to large carry-over stocks; therefore, not much upward pressure in prices is expected. Even though the broccoli, cauliflower and spinach crops were hurt by the California rains, farmers are expanding production to make up the losses; and supplies should be adequate. Frozen french fry supplies will be tight due to smaller production levels. As consumer demand picks up and more people dine out, supplies of frozen french fries may be further reduced. Smaller supplies as well as higher cooking oil costs will boost frozen fry prices in the upcoming year. Soybeans, a major component of cooking oils, were hurt significantly by the drought.

Canned vegetable supplies and prices should continue to be stable due to large carry-over stocks. Canned peas and beans are the exception, though, and supplies may be tighter for these commodities.

Milk production up slightly...

Total milk production in 1983 is expected to average two to three percent higher than 1982's record level of 135.8 billion pounds. Milk production during April to June was up two percent from a year ago—the result of 0.6 percent more cows and 1.5 percent more output per cow.

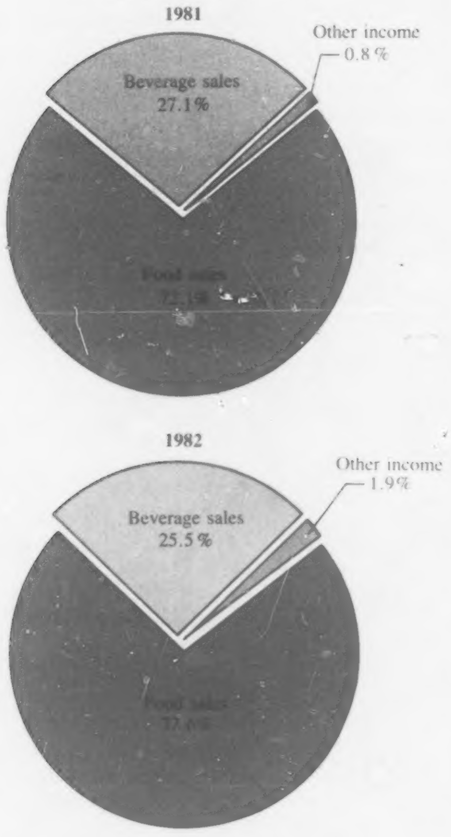
During July, the all-milk price received by farmers averaged $13.20 per cwt.—even with a year ago. According to USDA, if prices were adjusted for the 50-cent deduction, which began in April, the return per cwt. on all milk produced between January and July would be down 23 cents from a year earlier. The all-milk price should recover seasonally by 50 to 70 cents through the fall. Due to ample supplies, however, the year's average price will be even with or down slightly from 1982's levels.

Editor's note: *The information in this article reflects the situation in the commodity market as of early September and is subject to revision. NRA will continue to monitor these markets to keep restaurateurs informed of new developments in commodity prices and supplies.*

1983 annual operating ratio report now available

The restaurant industry dollar: Food and beverage restaurants, 1981 - 1982

Where it came from



Where it went

	1981	1982
Food	26.8%	28.6%
Beverages	7.1	7.0
Payroll	28.7	27.6
Employee benefits	4.5	2.8
Direct operating expenses	5.7	6.1
Music and entertainment	0.7	0.8
Advertising and promotion	2.4	2.0
Utilities	2.8	3.0
Administration and general	5.3	4.5
Repairs and maintenance	1.9	1.9
Rent	3.9	4.5
Property taxes	0.5	0.6
Other taxes	0.3	0.8
Property insurance	0.5	0.9
Interest	1.2	1.4
Depreciation	2.9	3.1
Other additions and deductions	0.4	1.0
Net income before taxes	4.4	3.4

Source: Restaurant Industry Operations Report '83, *published by the National Restaurant Association and Laventhol and Horwath, October 1983.*

Foodservice industry operators as well as investors frequently seek information on the financial and operating data of the nation's restaurants. In response to these inquiries, the National Restaurant Association has published *Restaurant Industry Operations Report '83*. This annual study, conducted jointly by NRA and the international accounting firm Laventhol and Horwath, contains a wealth of information that is not available from any other public source. The financial data for this study were supplied by NRA members, and the analysis was performed by Laventhol and Horwath.

Approximately 1,100 questionnaires were received from members of the NRA, and 828 surveys were used as the basis for this report. Those questionnaires that were not included in the final tally were omitted because the information presented was either incomplete—often not spanning the full 12-month fiscal cycle—or presented in a form that did not correspond with the other surveys, such as company-wide data rather than information on a unit-by-unit basis.

What's in the report. . . .

This comprehensive report includes specific financial information on full and limited menu restaurants with tableservice, limited menu restaurants without tableservice (fast food), and cafeterias. Information is broken down by restaurant type, location, sales volume, menu theme as well as by years of operation. The report has been divided into two sections—one for restaurants serving food only and the other for restaurants serving both food and alcoholic beverages.

The restaurants participating in this study represent a broad cross section of the foodservice industry. In most cases, comparisons between categories can be made with *Restaurant Industry Operations Report '82*. There are a few additions to this report that cannot be compared with past reports. They are the meals-served category and the cross tabulations for such breakdowns as organizations (single unit, multi-unti) and affiliation (franchisee, non-franchisee), which are presented in this report for the first time.

The accompanying charts are a sample of the information included in this valuable report. These same data are available for full menu and limited-menu restaurants as well as for restaurants serving food only. Other information presented in the publication include

- analysis of employee data—employees per seat, average sales per employee
- earnings ratio by type of restaurant
- figures for total cost of sales.

How to order. . . .

Restaurant Industry Operations Report '83 is now available at a cost of $15 (plus $2 shipping and handling) for NRA members and $30 (plus $3 shipping and handling) for non-members. DC and Illinois residents add 6% sales tax. Chicago residents add 1% sales tax to the Illinois sales tax. To order, contact the National Restaurant Association, 311 First St. N.W., Washington, DC 20001 or call 800-424-5156. Payment *must* accompany all orders. Credit card telephone orders are accepted. Please specify number CS953 when placing your order.

HALF BAKED

In defense of carbohydrates

"Eat something. You'll feel better." This advice, given by many a grandmother, may have some basis in fact. In a recent study on how foods alter moods and job performance, psychologist Bonnie Spring found that high carbohydrate meals have a calming effect while high protein meals keep people alert and help them process information.

Spring studied the effects of high carbohydrate and high protein foods two hours after the meals were eaten. She found that women and older people were more sensitive to the meals than men and the young or middle-aged participants.

The causes of these new findings are not clear, but Spring believes that carbohydrates can help trigger the production of serotonin—a brain chemical that has been proven to have a calming effect on humans. She adds that when the body is under stress, it calls for carbohydrates. This could explain the late-afternoon craving for sweets and starches.

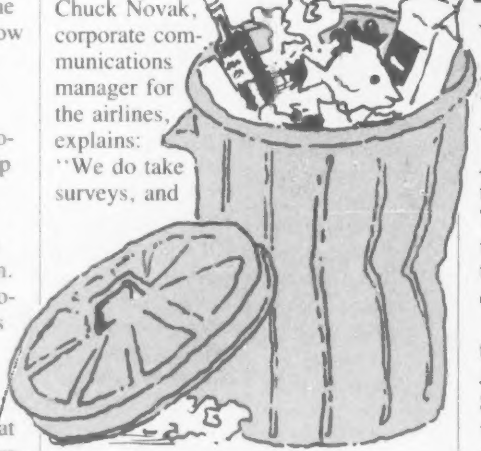
—USA Today

The answer may be in the garbage

United Airlines has decided to turn to its garbage to find out what their passengers like and dislike about in-flight food. And they've gotten some clues.

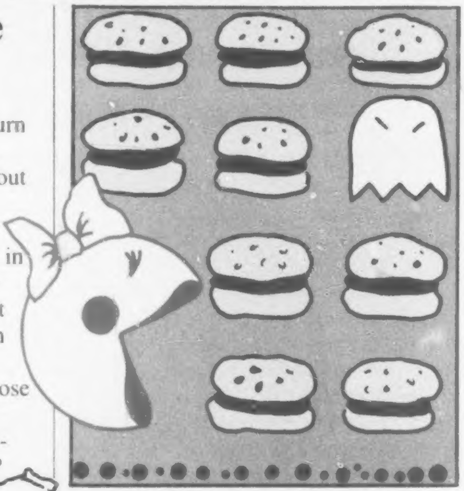
After foraging through the waste in some of their flight kitchens, attendants discovered that butter was not being used on many short afternoon Boeing 737 flights. So United has dropped butter from its menu on those flights.

Why [illegible] United use more convention[illegible]ket research methods? Chuck Novak, corporate communications manager for the airlines, explains: "We do take surveys, and they're fine when you want to ask passengers if they like steak or chicken. But it's pretty hard to ask, 'Are you going to use your butter?'"



Garbology—the study of garbage—may have things to tell you, too, about your patrons' preferences.

***—NRA NEWS** interview*



Video fantasy eatery for adults

Manufacturers often do well when they produce products for kids that make them feel grown up. Pizza Time Theater, Inc. is taking the opposite approach. It is testing an eatery that will make adults relive the fantasy of childhood.

Zapps Bar and Grill is the name of this video fantasy land that opened last June near Pizza Time Headquarters in Sunnyvale, CA. In addition to 25 video games, the 10,400 sq. ft. eatery offers a $50,000 circular bar; dance floors; several large TV screens; games that promote group activity, including pool, shuffleboard, chess, darts and backgammon; food that ranges from hamburgers to quiche and spinach salad; and private booths for solitude where patrons can draw the curtain, talk on the telephone, watch TV and summon a waitress with the push of a button.

Will this eatery appeal to the trendy but fickle 25 to 35-year-olds—those adults with large amounts of disposable income? Maybe. Gene Landrum, Pizza Time's vice president of development, admits that pleasing this market proves difficult since "they have a propensity to change entertainment habits in search of the new."

Pizza Time hopes to open another Zapps in Dallas and in Tampa if the concept catches on.

—USA Today

Hotel dresses up employee entrance

The traditional hotel awning has become a symbol of style and hospitality. At the Hyatt Regency in Washington, DC, employees get the same lift when they go to work. Their entrance has an awning, too, specially made in Hyatt colors with the words "employee entrance" imprinted.

"In some hotels and restaurants, the back of the house is pretty drab, sometimes bordering on ugly. We wanted to dress up the area and make the employees feel important," says Glenn Corsini, director of personnel.

The awning is also functional, Corsini explains. "During bad weather employees can stand under the awning while waiting for their rides."

The awning was installed this August after the Hyatt obtained permission from the city. Even with the customized additions, Corsini reports the cost of the awning was under $1,000.

***—NRA NEWS** interview*

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11/14-15 Washington, DC
12/14-15 Seattle, WA

Bar Management
11/21-23 Phoenix, AZ
12/5-7 San Antonio, TX

Controlling Beverage Costs
11/14 Nashville, TN
12/7 Albuquerque, NM

Off-Premise Catering
11/14-15 Lexington, KY
12/5-6 Atlanta, GA

Computers in Foodservice: A Primer*
10/24 Orlando, FL
11/9 Charlotte, NC
11/21 Portland, ME

Computers in Foodservice: Advanced Technologies/Now That I Have One...*
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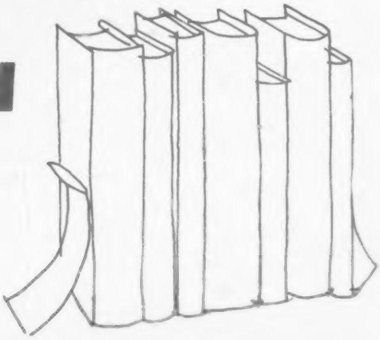

NRA Research: Investigating the foodservice industry for you

Newly released

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Check your operation's profile in the latest annual industry operations report. These findings include industry operating ratios by type of restaurant, organization, sales volume, years in business and region.

CS953, soft-cover book,
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